



Daily Report

East Asia

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Trilateral Forum on North Pacific Security Held

*OW0202132094 Tokyo KYODO in English 1119 GMT
2 Feb 94*

[Text] Tokyo, Feb. 2 KYODO—The United States and Russia are apparently planning to hold unprecedented joint military exercises, a senior Japanese Foreign Ministry source said Wednesday [2 February].

The source said the subject was broached by the former enemy powers in a two-day meeting in Tokyo of military brass, government officials and academicians from the U.S., Russia and Japan. The closed-door discussions on Tuesday and Wednesday, the first of their kind to be participated in by all three countries, took place in the Trilateral Forum on North Pacific Security organized by the Japan Institute of International Affairs.

According to the source, the participants discussed the promotion of a "strategic partnership" between the U.S. and Russia. He said it appeared from the discussions that talks on joint military exercises were already under way. There were suggestions that Japan also participate, but the idea was dismissed by Japanese participants as premature, he said.

The U.S. participants included Assistant Defense Secretary Graham Allison and Adm. Frank Bowman, deputy director for political and military affairs on the Joint Chiefs of Staff at the Pentagon.

Attending from Russia were Deputy Foreign Minister Georgiy Mamedov, Gen. Andrey Nikolayev, head of the Russian Federal Border Service and commander-in-chief of the border forces, and Col. Gen. Vladimir Zhurbenko, deputy chief of Joint Staff of the Armed Forces.

Japanese participants included Yoshiji Nogami, deputy director general of the Foreign Ministry's Foreign Policy Bureau, and Maj. Gen. Toshimasa Fujiwara, a member of the Self-Defense Forces' Joint Staff Office in charge of plans and policies.

The source said the Russian side expressed a desire to see Russia's entry into the Asia-Pacific Economic Cooperation (APEC) forum in the future, despite an existing moratorium on adding new members. The meeting also covered such subjects as Russia's new military doctrine, North Korea's suspected nuclear development program, and the future situation surrounding China, he said. Japanese participants endeavored to keep discussions of China to a minimum since no Chinese participants were present at the meeting, the source said. While China and

other countries may be invited to future meetings, there was not yet any consensus on expanding participation, he said.

Two more such meetings are planned, the next to be held in Moscow, possibly in September, after which a set of policy recommendations may be issued to the governments of the three countries.

APEC Investment Committee Meets in Jakarta

*SK0402092494 Seoul YONHAP in English 0759 GMT
4 Feb 94*

[Text] Seoul, Feb. 4 (YONHAP)—Delegates from the 17 Asia-Pacific Economic Cooperation (APEC) member countries decided on a job training project and fixed the working direction and division of work by country of the Trade and Investment Committee at a meeting in Jakarta on Friday. The Korean delegation, led by Assistant Foreign Minister for Policy Planning Yi Changchun, proposed the job training project that was subsequently agreed. The project is aimed at exchanging teachers and trainees in machinery, metals, computers and other high technologies among APEC member countries. Details for the project will be fixed this year and it will be implemented in 1995.

The APEC meeting also decided on the operations of the Trade and Investment Committee, whose chairman is Assistant Foreign Minister Son Chun-yong. The meeting fixed the roles of member countries, with South Korea given the tasks of reviewing implementation of the Uruguay Round talks and examining proposals from prominent groups. The delegates also discussed preparations for the APEC ministerial summit slated for November in Bali, Indonesia.

APEC Senior Officials Meeting Closes 4 Feb

*BK0402134694 Jakarta Radio Republik Indonesia
Network in Indonesian 1200 GMT 4 Feb 94*

[Text] The three-day meeting of APEC [Asia-Pacific Economic Cooperation] senior officials to prepare the agenda for an APEC ministerial meeting in November ended in Jakarta today. Speaking to reporters, Wisber Luis, director general of Foreign Economic Relations Division of the Foreign Affairs Department, said there will be four meetings of APEC senior officials up to the November meeting.

The first senior officials meeting in Jakarta reached an agreement on the long-term plan initiated by prominent APEC leaders. The meeting also decided that Indonesia will host a symposium on customs and taxation at the same time as the APEC ministerial meeting in November. A working group in charge of promoting trade and investment will also hold its meeting in March.

Japan

Hata Leaves Early for U.S. 'on Short Notice'

OW0902105494 Tokyo KYODO in English 1010 GMT
9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—Foreign Minister Tsutomu Hata, leaving on short notice for Washington on Wednesday evening [9 February], said he will try to resolve the differences on trade between Japan and the United States before Prime Minister Morihiro Hosokawa's summit meeting with U.S. President Bill Clinton. Hata said he will try to break the deadlock between trade negotiators of the two countries so that Hosokawa and Clinton can look back on the results of the talks with satisfaction when they meet Friday.

The foreign minister, who was originally scheduled to depart for Washington along with Hosokawa on Thursday, said he was leaving early on instructions from the premier. He said his schedule in Washington has yet to be fixed.

Hata, who doubles as deputy prime minister, said he will impress upon his U.S. interlocutors how determinedly the present administration has been in its attempts to revive the Japanese economy and stimulate increased imports from the U.S. and other countries. He suggested there is a lack of understanding in the U.S. Government in that regard.

Hosokawa and Clinton are scheduled to assess progress in the bilateral economic talks being held under a trade framework accord concluded last July. Hata said he wants to tackle the matter before the summit begins, so that the two leaders can have broad discussions on areas other than the economy.

Asked about the idea of setting numerical targets to gauge the openness of Japanese markets, Hata did not dismiss it out of hand, saying instead, "we will discuss the matter keeping in mind the potential implications, including what the implications could be internationally."

But Chief Cabinet Secretary Masayoshi Takemura suggested earlier Wednesday that Tokyo will continue to oppose such a move. "In the negotiations, the Japanese Government has taken the stance that it is very difficult to accept the proposal for numerical targets," he said.

Takemura added he believes Hata "will finalize political negotiations before the summit in line with this basic stance."

Hosokawa's Special Envoy Meets With Clinton

OW0902115594 Tokyo KYODO in English 1147 GMT
9 Feb 94

[Text] Washington, Feb. 9 KYODO—A Japanese career diplomat on a mission to break an impasse in Japan-U.S.

framework trade talks met U.S. President Bill Clinton on Tuesday [9 February], informed sources said Wednesday.

Akitane Kiuchi, who has served as ambassador to Malaysia, Thailand and France, is visiting Washington as a special envoy of Japanese Prime Minister Morihiro Hosokawa, they said.

Kiuchi conveyed to Clinton a message from Hosokawa pledging he will try to solve issues with sincerity, the sources said. Clinton was quoted as saying it is time for the two sides to upgrade negotiations to the cabinet-minister level.

Hosokawa told reporters in Tokyo on Wednesday that the trade negotiations have been deadlocked over U.S. demands for "objective criteria" for measuring the degree of foreign access to the Japanese market.

Hosokawa is due to leave Tokyo for Washington on Thursday to hold talks with Clinton on Friday.

Hosokawa: Trade Framework Talks at 'Impasse'

OW0902054494 Tokyo KYODO in English 0533 GMT
9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—Prime Minister Morihiro Hosokawa said Wednesday [9 February] that Japan-U.S. "Framework" trade talks are deadlocked, showing pessimism on whether a settlement can be reached before his meeting with U.S. President Bill Clinton in Washington on Friday. "Everything has come to an impasse," Hosokawa told reporters when asked about progress in talks focusing on automobile and auto parts, insurance, and government procurement of telecommunications and medical equipment.

Asked whether he will send International Trade and Industry Minister Hiroshi Kumagai to Washington in a last-minute effort to break the impasse, Hosokawa said the situation is still "fluid." He said various moves were possible to break the impasse, suggesting that Kumagai will go to the United States.

Senior Japanese and U.S. officials met Tuesday in Washington for yet another round of talks on ways to ensure U.S. access to the Japanese market, but no agreement was reached.

The biggest stumbling block, Japanese and U.S. officials said, centers on the issue of "objective criteria" for measuring if the Japanese market is truly open to imports. The U.S. Government has demanded that Japan accept a variety of numerical targets such as import levels to evaluate the openness of its market to foreign goods.

Hosokawa told reporters Japan's acceptance of such "objective criteria" is "impossible," adding that the U.S. is also showing no sign of softening its stance. The premier made the remarks after a meeting with Foreign

Minister Tsutomu Hata, Finance Minister Hirohisa Fujii and the trade minister at his official residence.

Council Advises Scrapping Car Part Tariffs

*OW0902132094 Tokyo KYODO in English 1310 GMT
9 Feb 94*

[Text] Tokyo, Feb. 9 KYODO—Japan should scrap its remaining tariffs on materials used in car parts and cut levies on imported sugar, a government panel said Wednesday [9 February]. The report by the Customs Tariff Council, an advisory panel to the finance minister, came just two days before a deadline on Japan-U.S. trade talks, which both sides say have become particularly bogged down over the contentious auto and auto parts issue.

The council urged repealing a 4.6 percent tariff on rubber tubing for radiator hoses, a 2.4 percent levy on rubber belts and a 9.6 percent tariff on polyester material used for seat covers.

The report, which excludes levies covered by December's global accord under the General Agreement on Tariffs and Trade (GATT), says scrapping the import duties would almost eliminate Japanese tariffs on auto parts.

A ministry official said the foreign share in the three areas should increase, adding that foreign radiator tubes account for only 200 million yen of the 85 billion yen annual Japanese market, and that foreign rubber belts and the seat cover material each amount to 600 million yen of 11 billion yen markets.

The report said tariffs on raw sugar should be slashed by 21.5 yen per kilogram to 20.0 yen, which the official said would amount to about 60 percent. It called for lowering those on refined sugar by the same amount to 35.5 yen per kilogram, which he said would be about 80 percent.

'No Major Impact' From U.S. Monetary Control

*OW0802234994 Tokyo NHK General Television
Network in Japanese 0310 GMT 8 Feb 94*

[Announcer-read report from the "NHK News" program]

[Text] The U.S. Federal Reserve Board [FRB] decided late last week to tighten the money market for the first time in five years.

Commenting on the FRB's decision, Bank of Japan Governor Yasushi Mieno, said: I believe FRB Chairman Greenspan, who has asserted that interest rates have remained too low during the months of economic recovery, has concluded that it has become necessary to raise interest rates to keep the U.S. economy growing longer. I believe that the tight monetary control in the United States will have no major impact on international financial markets.

In this way, Mr. Mieno indicated that tight monetary control in the United States will not bring about any drastic change to foreign exchange and stock markets.

'Domestic Factors' More Important

*OW0502045294 Tokyo KYODO in English 0427 GMT
5 Feb 94*

[Text] Tokyo, Feb. 5 KYODO—The U.S. Federal Reserve Board's reversing of its easy-money policy will have little affect on Japan's interest rate movement, a Bank of Japan source said Saturday [5 February].

"I don't believe the Fed has decided to tighten the credit condition. Rather, it has driven it to natural [as received]," the source said on condition of anonymity.

Fed Chairman Alan Greenspan said Friday the Federal Open Market Committee has decided to tighten its credit policy which is "expected to be associated with a small increase in short-term money market rates."

The source said the Fed has so far guided interest rates lower as an emergency step to realize the economic recovery and the stable financial mechanism.

"Now that the U.S. economy is on the recovery, the Fed may have given up the idea of lowering rates. If it continues to ease credit conditions, fears of inflation may arise," the source said.

"Interest rate development in the Japanese short-term money market is set by domestic factors, rather than the U.S.'s. It is hard to believe it will have a big influence on Japan's credit policy."

Commanders Hail Joint Exercises With U.S.

*OW0402105894 Tokyo KYODO in English 0913 GMT
4 Feb 94*

[Text] Tokyo, Feb. 4 KYODO—Japanese and U.S. military leaders hailed the successful conclusion Friday [4 February] of the 1994 Keen Edge computer-simulated military exercises, the U.S. Forces Japan (USFJ) reported. The 10-day exercises, directed jointly by Japanese and U.S. military officials, involved some 3,400 Japanese and 3,200 U.S. participants, the USFJ reported in a news release.

Gen. Tetsuya Nishimoto, chairman of the Joint Staff Council of the Self-Defense Forces, said the exercises gave the commanders a "comprehensive assessment of the ground, navy, air, joint and combined operations." In addition to operational capability, the exercise also "enables us to develop the very comprehensive and capable logistics and support functions we will need to win the war," Nishimoto said.

USFJ Commander Lt. Gen. Richard Myers said the simulator "proved its ability to realistically test procedures and logistics support for simulated air, land, and

sea operations, and in doing so, increased the training value of the exercise for both the U.S. and Japanese participants."

"This exercise was a great test of the U.S. and Japanese military staffs' ability to conduct crisis action planning and to practice commanding and controlling the simulated movement of equipment and forces," said Myers. "I am absolutely confident both staffs are now able to do a better job of defending Japan should the need ever arise," he said.

Firm To Establish SRV Fertilizer Venture

OW0702024594 Tokyo KYODO in English 0142 GMT 7 Feb 94

[Text] Tokyo, Feb. 7 KYODO—Nissho Iwai Corp., Japan's leading trading house, has agreed with the Vietnamese Government to jointly establish a chemical fertilizer venture in Ho Chi Minh City, company officials said Monday [7 February]. Under the preliminary agreement, Nissho Iwai and Southern Fertilizer Co. (SFC), which is controlled by the local government, will set up the venture as early as March, the officials said.

Nissho Iwai plans to import 200,000 tons of chemical fertilizer annually from the venture, they said. The new company is capitalized at 10 million dollars, and Nissho Iwai will hold a 51 percent equity share with SFC holding the rest. The new firm will establish a factory to manufacture chemical fertilizer with an annual capacity of 200,000 to 300,000 tons, the officials said. Nissho Iwai and SFC want to start the operation in September 1996. The venture is Nissho Iwai's first business deal in Vietnam, they said.

Yakovlev Interviewed on Territorial Dispute

OW0402132994 Tokyo NHK General Television Network in Japanese 1049 GMT 4 Feb 94

[Announcer-read report over video; from "NHK News 7" program]

[Text] Mr. Yakovlev, head of the Russian Federal Television and Broadcasting Service who once served as chief adviser to former President Gorbachev, granted an interview to NHK. With regard to ultranationalist leader Zhirnovskiy, who has been making radical remarks and calling for territorial expansion, Yakovlev said that his influence on the Russian people is small, and his remarks should not be overestimated.

Moreover, he said that the term territory has become a painful word to the Russians who lost territories as a result of the collapse of the Soviet Union and that if Japan presses Russia to solve the territorial issue by using such a word, nothing will be solved.

Ozawa: 'Hunch' Resulted in Remarks on DPRK

OW0802093194 Tokyo KYODO in English 0853 GMT 8 Feb 94

[Text] Tokyo, Feb. 8 KYODO—Shinseito co-leader Ichiro Ozawa said Tuesday [8 February] he thinks by intuition that North Korea has already developed nuclear weapons. Ozawa told a press conference that "it is impossible to explain" the basis for his belief that the country is developing nuclear weapons because "I have not seen it with my own eyes, but I believe so, that's my hunch."

Ozawa, one of the main strategists of the coalition government, told a television interview Sunday that North Korea "definitely has nuclear arms," without giving any evidence to back up his statement. He reasoned that if the country did not have any nuclear weapons, it would open its facilities to inspection by the International Atomic Energy Agency (IAEA). Ozawa said that if it has nothing to hide, it "should show everything."

The pro-Pyongyang General Association of Korean Residents in Japan (Chongryun) demanded that Ozawa withdraw his remarks, saying "they are preposterous and defiant" and that they "ignore elementary diplomatic common sense."

Government Condemns Sarajevo Mortar Attack

OW0802075994 Tokyo KYODO in English 0749 GMT 8 Feb 94

[Text] Tokyo, Feb. 8 KYODO—Japan on Tuesday [8 February] condemned the devastating mortar attack on a Sarajevo marketplace last Saturday, but remained non-committal on support for possible air strikes against Bosnian Serbs to end the siege of the capital. "We strongly condemn such a barbarous and atrocious act against innocent civilians," Foreign Ministry Deputy Spokesman Kishichiro Amae said.

Referring to the attack on an open-air Muslim marketplace that killed 68 civilians and injured some 200, Amae said Japan "considers that the offenders should be identified as soon as possible and duly punished." But the spokesman did not go so far as to express support for air strikes by the North Atlantic Treaty Organization (NATO) on Bosnian Serb artillery and mortar sites in the hills around Sarajevo.

UN Secretary General Butrus Butrus-Ghali asked the NATO allies Sunday to authorize the use of air power in response to the shelling of Sarajevo. NATO is expected to decide whether to take such action in a meeting on Wednesday in Brussels, which will be attended by the ambassadors to NATO from its 16 member countries.

Group Prepares for Business Club With Israel

OW0902004194 Tokyo KYODO in English 0019 GMT
9 Feb 94

[By Keiko Tatsuta: "Japanese Firms Cautiously Seeking Business With Israel"]

[Text] Tokyo, Feb. 9 KYODO—Japanese companies are seemingly cautious but steady in seeking business with Israel following its historic accord with the Palestine Liberation Organization (PLO) last September.

One group of Japanese firms and individuals is preparing to set up the Japan-Israel Business Club on February 16 to exchange information about the climate for investment and trade in the Jewish nation, industry sources said. However, a major trading firm, which is said to have initiated the club's formation, was nervous about being identified and refused to comment.

Other trading houses seem to be unaware about the organization or undecided about joining.

The club will serve as a "saloon" for individual members, who effectively represent their respective firms, the sources said.

Many Japanese companies have avoided taking conspicuous action to boost trade with Israel, apparently still fearful of the Arab League's boycott, which means the loss of Arab markets and oil supplies.

"The peace agreement would not have substantial impact on our business because there remains the Arab boycott, though it is somewhat becoming a mere shell," said a spokesman for Itochu Corp. Itochu has never been involved with setting up the club, another spokesman said.

Arab states have boycotted the Jewish society in three stages—primarily by cutting economic relations with Israel, rejecting business with companies that have economic relations with Israel, and boycotting firms connected with those that do business with the nation.

Although Kuwait announced last June that it was ready to stop blacklisting companies doing business with Israel, the effective date is uncertain since the Arab League's previously planned plenary session on the issue was indefinitely postponed, said an official of the Japan External Trade Organization (JETRO).

"We are in a stage of watching developments there," Hiroshi Nozu, Middle East and Africa section general manager of the international corporate planning department of Marubeni Corp., said in an interview with KYODO NEWS SERVICE.

Nozu said Marubeni will seek business with Israel at a "slow and steady" pace because political uncertainty in the region remains despite the accord, which he called an "agreement for agreement."

Because Israel has advanced technology in such areas as agriculture, biology, telecommunications and aviation, Marubeni believes future ties are promising, Nozu said.

Nozu denied having heard of the Japan-Israel Business Club.

The Itochu spokesman said that in terms of population, only Egypt and Turkey are the region's large markets. Itochu business with the two, mainly in crude oil, vehicles and plant equipment, will continue as before, he said.

Currently, Itochu does not plan to open a representative office in Israel, and no immediate impact on Itochu is expected as a result of the Israel-PLO agreement, the spokesman said.

"We cannot help being cautious about business with Israel because of psychological factors," said Masami Naruse, assistant manager of corporate communications division of Mitsui and Co.

"It all depends on what will become of the Arab boycott," Naruse said, "because we have close relations with Arab nations such as the UAE (United Arab Emirates) and Kuwait." He said his company has yet to decide whether to participate in the Japan-Israel Business Club.

According to government statistics, Japan's trade with Middle East nations has gradually expanded, from 29.04 billion dollars in 1988 to 44.46 billion dollars in 1992. The figures include trade with North African states and exclude Turkey.

For the January-November period in 1993, however, trade with these countries decreased by 7.8 percent from the same period in 1992.

Meanwhile, bilateral trade between Japan and Israel increased by 3.2 percent for the first 11 months last year over the same period in 1992. It expanded from 1.1 billion dollars in 1988 to 1.7 billion dollars in 1992.

Japan's exports to Israel, mainly automobiles, amounted to about 1 billion dollars in 1992, while imports from Israel, primarily diamonds, came to around 700 million dollars.

Japan's vehicle exports to Israel totaled 66,792 units last year, following 82,249 in 1992 and 58,593 in 1991, according to the Japan Automobile Manufacturers Association.

Among nine exporting automakers, Mitsubishi Motors Corp. ranked first with about 24,000 units for the January-November period of 1993, industry sources said.

While Mitsubishi and Fuji Heavy Industries Ltd. have a long history in exporting autos to Israel, others were relative newcomers, the sources said.

"The general business environment there is headed in a favorable direction," a Nissan Motor Co. spokeswoman

said. However, because Israel's population of five million is not big, Nissan does not expect the peace accord to lead to a rapid increase in export volume, she said. "We'll just steadily market our products there" at the current pace of some 3,000 vehicles per year, she said.

Despite uncertainty over the boycott, Japan and Israel will deepen bilateral ties from a long-term viewpoint, said Yoshihiro Otsuji, director of the Middle East-Africa office of the International Trade Policy Bureau at the Ministry of International Trade and Industry (MITI).

Inquiries concerning the boycott and other information on Israel have been increasing since last November and exchanges between MITI officials and Israeli counterparts have expanded, Otsuji said.

The Japanese Government has officially called for an end to the trade refusal.

Report Details Increase in Jan Auto Imports

OW0402051694 Tokyo KYODO in English 0325 GMT 4 Feb 94

[Text] Tokyo, Feb. 4 KYODO—Sales of imported cars in Japan jumped 33.8 percent in January from a year earlier to 12,156 vehicles, the Japan Automobile Importers Association said Friday [4 February].

Sales of passenger cars with an engine displacement of 2000 cc [cubic centimeters] or more grew 29.1 percent to 7,017, while those of smaller passenger cars rose 24.1 percent to 4,342, the association said.

Overall sales of imported passenger vehicles increased by 27.1 percent to 11,359. Sales of Japanese automobiles manufactured overseas totaled 1,453, down from 1,823 in January 1993.

JETRO To Aid Sales of Imported Goods

OW0502061794 Tokyo KYODO in English 0526 GMT 5 Feb 94

[Text] Tokyo, Feb. 5 KYODO—The Japan External Trade Organization (JETRO) will start next Tuesday [8 February] providing free counters to importers in seven cities to help sell foreign products, JETRO officials said Saturday. The counters, called "JETRO Import Squares," are aimed at boosting the availability of imports outside Tokyo, where the majority of importers run shops.

Importers can use the JETRO squares for a year free of charge, excluding utility costs. The squares will be provided in seven major local cities—Sapporo, Nagoya, Sendai, Takamatsu, Fukuoka, Osaka and Hiroshima.

Government Acts To Boost International Deals

OW0902075694 Tokyo KYODO in English 0732 GMT 9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—Japan's Finance Ministry announced Wednesday [9 February] the easing of regulations, effective in March and April, in a bid to spur international financial dealings. The ministry is to allow more freedom under the Foreign Exchange and Foreign Trade Control Law on deposits, securities transactions, direct investment, lending and borrowing, and import-export accounts.

For overseas nonyen deposits by residents, the amount which is free of ministry permission will be raised to up to 100 million yen from the current 30 million yen March 1.

Referring to last year's statistics, a ministry official said overseas foreign currency deposits with between 30 to 100 million yen accounted for about half of the 130 deposits approved overall.

The same measure will be taken for investment by residents on overseas securities and by nonresidents on domestic securities.

The nonpermission amount for nonbank lending and borrowing between residents and nonresidents will be raised to up to 100 million yen from the current 10 million yen.

On the current 10 million yen limit per case for trading houses and other firms using an accounting method of offsetting export and import payments between head offices and overseas branches, the ministry will allow an increase of up to 100 million yen from April 1.

The period for leaving the payments on the accounting record for settlements through the offsetting method will be extended to six months from the current three months.

The ministry will also abolish and ease March 1 various reporting obligations linked to the above regulation revisions. The move is intended to "improve convenience and further facilitate overseas dealings amid international financial transactions becoming increasingly active," ministry officials said.

They said the measures are in line with an agreement late last year under the General Agreement on Tariffs and Trade (GATT)-sponsored Uruguay Round of multilateral talks and also with an administrative reform outline decided by the government Tuesday.

Eda: H-2 Program Has No Military Aims

*OW0402054294 Tokyo KYODO in English 0431 GMT
4 Feb 94*

[Text] Tokyo, Feb. 4 KYODO—Science and Technology Agency Director General Satsuki Eda Friday [4 February] dismissed concerns that Japan's rocket development program aims at turning the country into a major military power.

To the contrary, Eda said, the successful launching earlier in the day of an H-2 series rocket, the first to use wholly Japanese components "turned space from a theater for Soviet-U.S. military competition into a sphere of activity for people who want to give wings to peaceful dreams."

Eda told a news conference following a regular cabinet meeting that Japan's plutonium program and its rocket development, which have sparked international concerns over the country's nuclear intentions, are both strictly devoted to peaceful purposes. He said Japan would "pay careful attention" so that no such concern need arise.

Compressor Malfunction Closes Uranium Plant

*OW0802105194 Tokyo KYODO in English 1045 GMT
8 Feb 94*

[Text] Aomori, Feb. 8 KYODO—A malfunction in a compressor at a uranium enrichment plant in Rokkasho, Aomori Prefecture, on Monday [7 February] has forced the closure of the plant for two to three months, Japan Nuclear Fuel Ltd. said Tuesday. A statement from the Aomori-based company said the compressor is responsible for conveying depleted uranium to a waste recovery vessel. It said there were no radioactive leaks as a result of the breakdown.

The company said that at 10:40 A.M., part of the device which monitors the factory's operations malfunctioned and that when the factory was reactivated after an inspection, the compressor stopped operating. The same machine has broken down three times previously.

Panel Completes Report on Stock Trading Rules

*OW0702133994 Tokyo KYODO in English 1255 GMT
7 Feb 94*

[Text] Tokyo, Feb. 7 KYODO—A Finance Ministry advisory panel on Monday [7 February] completed a report on rules for stock trading in anticipation of deregulation on the practice of companies buying their own shares, panel officials said.

The rules, worked out by a special group of the Securities and Exchange Council, require corporations to regularly disclose quarterly trading of their own shares, the officials said. They said firms acquiring their own shares will be barred from making buy orders at prices higher than the previous day's closing price.

The regulations are designed to prevent insider trading and stock price manipulation which are banned under the Securities and Exchange Law.

A company will be barred from buying its own shares for a certain period of time preceding the closing of daily trading in order to avoid stock manipulation, the officials said.

The officials said the report will be submitted to Finance Minister Hirohisa Fujii after it is approved at the council's plenary session February 21.

Comments on, Reaction to Tax, Stimulus Issues

Fujii on Deficit-Covering Bonds

*OW0802094894 Tokyo KYODO in English 0939 GMT
8 Feb 94*

[Text] Tokyo, Feb. 8 KYODO—Finance Minister Hirohisa Fujii said Tuesday [8 February] that Japan's ruling coalition struck a 6 trillion yen tax cut deal by taking his ministry's position on the issue into consideration.

The ministry had urged that a tax cut proposal be combined with a revenue-boosting step to finance it.

Fujii told reporters that Tuesday's agreement was not based solely on the ministry proposal, but did take it into account. He also said the whole amount of the tax cut will be funded by deficit-covering bond issues.

Business Leaders Welcome Package

*OW0802124494 Tokyo KYODO in English 1116 GMT
8 Feb 94*

[Text] Tokyo, Feb. 8 KYODO—Japanese business leaders Tuesday [8 February] welcomed the government's new pump-priming package, expressing hope that it will help boost the stalled Japanese economy. Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), said the package should give a further impetus to the Japanese economy, which he said is beginning to show signs of recovery.

Some executives, however, expressed doubts over the confusion in the coalition government following Prime Minister Morihiro Hosokawa's announcement of a "national welfare tax."

He proposed last Thursday that the government introduce a fresh 7 percent "national welfare tax" in April 1997 to finance the tax reduction that will be retroactive to January 1. But in the face of stiff opposition from the Social Democratic Party [of Japan] (SDP) [SDPJ], the biggest contingent in his seven-party coalition, he was forced to retract the scheme.

Yoshiaki Sakakura, chairman of the Japan Department Stores Association, said he was perplexed when Hosokawa retracted the tax cut proposal.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai), said the SDPJ should have acted "in a more responsible manner" as the No. 1 coalition partner.

Nagano also said the size of the tax cuts could have been larger but added he had no objections to implementing tax cuts without securing funds to finance them.

Osamu Uno, chairman of the Kansai Economic Federation (Kankeiren) in western Japan, also said implementing tax cuts without securing funds to make up for them was unavoidable because Japan is in deep recession and Hosokawa faces a summit with U.S. President Bill Clinton on Friday in Washington.

Inheritance Tax Cut Retroactive

OW0802134694 Tokyo KYODO in English 1302 GMT 8 Feb 94

[Text] Tokyo, Feb. 8 KYODO—The government and the ruling coalition parties agreed Tuesday [8 February] to slash the inheritance tax, retroactive to January 1, to ease the burden caused by a steep rise in land prices, government sources said.

The sources said the revenue decrease will amount to about 170 billion yen in the initial year. They said the tax cut will be made by raising the minimum taxable level to 50 million yen from the present 48 million yen and boosting tax exemption for individual heirs to 10 million yen from 9.5 million yen.

Tax rates on inherited assets ranging from 10 to 70 percent will remain unchanged but the number of tax gradations will be rearranged to nine from the present 13, they said. The highest tax rate of 70 percent will be applied to inherited assets exceeding 2 billion yen in value, up from the present 1 billion yen, the officials said.

Financing 'Ensured' To Cover Cuts

OW0802134794 Tokyo KYODO in English 1317 GMT 8 Feb 94

[Text] Tokyo, Feb. 8 KYODO—The head of the government's Tax Commission Tuesday [8 February] expressed the view that financial sources to cover a tax reduction announced earlier in the day are ensured from a broader viewpoint.

Kan Kato was commenting on a decision by the government of Prime Minister Morihiro Hosokawa to slash income and other taxes worth 5.85 trillion yen as part of an economic stimulative package and to discuss how to fund the cuts in a consultative body to be created within the coalition government.

"We now have a system whereby we can solve the issue of revenues," he told reporters. "In a wide sense, we have managed to come through with putting the tax reduction together with a tax increase."

Kato said he will keep a keen eye on discussions to be made in the consulting body.

"We have put off deciding on the revenues, but we must come to a conclusion by the end of the year. The Tax Commission will keep participating in the struggle," he said.

'Standard' Household Rebate Noted

OW0802150294 Tokyo KYODO in English 1444 GMT 8 Feb 94

[Text] Tokyo, Feb. 8 KYODO—A standard family of a couple and two children with an annual income of 8 million yen will receive 160,000 yen in tax rebates as a result of the income and residential tax cuts announced Tuesday [8 February], government officials said.

The one-year tax cuts worth 5.85 trillion yen were adopted as part of a pump-priming package aimed at getting the faltering economy back on its feet.

The officials said the income tax refunds for the January to June period will be made in June and those for the second half at the end of the year.

As for the residential tax rebate, the refunds will be made in part by reducing such tax payments to zero in June and July and in part by prorating the remainder for the 10-month period from August, in equal installments. Currently, the standard household pays 460,000 yen in income tax and 330,000 yen in residential tax annually.

With the stimulative package calling for slashing individual and local residential taxes by 20 percent each, households with annual incomes of 8 million yen will receive about 160,000 yen, the officials said.

Coalition Adopts Tax Reform Outline

OW0902032294 Tokyo KYODO in English 0236 GMT 9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—The ruling coalition Wednesday [9 February] adopted a tax reform platform for fiscal 1994 following the previous day's agreement among coalition leaders on the tax issue. The seven-party coalition, in line with Tuesday's accord, called for a one-year, 5.47 trillion yen income and resident tax cut and taxation modifications to rectify inequities.

Measures proposed to redress the tax burden inequalities include a levy of 10 percent on entertainment expenses declared by companies even within the currently nontaxable limit and a punitively heavy tax on companies' unexplained expenses.

Inheritance taxation would be relaxed by enlarging tax brackets and lowering tax rates.

Liquor taxes would be raised, such as a 9 yen tax increase on a 633-milliliter bottle of beer.

Also included in the proposal are tax incentives for stimulating land and housing transactions.

Mieno on Clearing Bad Loans

OW0902082294 Tokyo KYODO in English 0804 GMT
9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—Bank of Japan Governor Yasushi Mieno urged financial institutions Wednesday [9 February] to work harder to clear their mountains of bad loans in line with Finance Ministry guidelines issued the day before.

At a regular press conference, he also welcomed Tuesday's record 15.25 trillion yen economic stimulus package as "appropriate" for helping spur the long-flagging economy. But Mieno said his view has not changed that the economy remains weak with no clear signs of recovery amid a continued mix of good and bad signs. Even if banks should have to post losses—long a taboo in the Japanese financial system—to write off the bad loans they hold, that "would not be a grave thing" because of their underlying strength, Mieno said.

Stressing the importance of financial institutions' own efforts to dispose of problem loans, he urged them to do more than they have so far in clearing the loans, a hangover from speculative excesses of the late 1980s that continue to weigh on bank lending. He urged them to make the efforts in line with ministry guidelines included in Tuesday's pump-priming package.

The guidelines propose establishing an institution to shoulder bad loans expanding special write-offs to cover "restructured" loans, those in danger of default on which lenders have lowered interest rates or forgiven some repayment obligations.

But Mieno declined to endorse calls to require banks to report the restructured loans on their books. Only loans to bankrupt enterprises and those at least six months in arrears on interest payments must now be disclosed, prompting calls for more openness.

Mieno pointed to a government panel report issued last year that called for gradual improvement in disclosure while taking into account possible disruptions it would cause in the financial system.

On the economy, he referred to the recent bright spots of stabilizing corporate sentiment and smoothly proceeding inventory adjustment. But he said they remain pitted against such minus factors as a gradually worsening employment situation and time-consuming adjustments in corporate balance sheets.

As a step to help revive the still-stagnant economy, Mieno praised Tuesday's stimulus package, citing its record size, its inclusion of income tax cuts and proposals for financial deregulation. He noted some "supply-demand uneasiness" in the bond market, which fears that the flood of new government bonds needed to finance the pump-priming package could overrun market demand and push interest rates higher.

Recent rises in longer-term market rates also reflect recovering stock prices and a correction from earlier large falls in rates, Mieno said.

Asked about banks' recent 0.3 percentage point hikes in their long-term prime rates, the first in eight months, he said they would not hurt the economy as rates remain at historically low levels.

Mieno played down last week's hike in a key U.S. overnight interbank lending rate, the first such tightening in five years. "I don't think it will have a big, immediate effect on the currency markets," he said. He noted that his U.S. counterpart Alan Greenspan said in hiking the federal funds rate that it had been too low and that interest rates should be neutral to ensure long-term economic expansion.

Further Spending Cuts Urged

OW0902112094 Tokyo KYODO in English 1052 GMT
9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—A government panel on Wednesday [9 February] called for a tax system reform and further spending cuts in order to rebuild Japan's fiscal standing.

The Fiscal System Council, an advisory body to the Finance Minister, endorsed bond issuance for the government's new stimulus package as "an exceptional and inevitable option" under the current economic and fiscal conditions. But ways of repaying such bonds should be ensured in a tax system reform the government promised to make by the end of this year, the panel said in a report.

The report was presented to Finance Minister Hirohisa Fujii on Wednesday so that recommendations can be reflected in the fiscal 1994 budget, to be formulated shortly.

Speaking before a press conference, Eiji Suzuki, the head of the panel, voiced concern over the government's failure to secure a specific way of financing the 5.85 trillion yen tax cut envisioned in the latest pump-priming package. The government coffers would be eroded further without funds to cover the tax cuts, the report said, citing a call for the government to carry out its pledged tax system reform "in a responsible manner."

The report noted Japan's tax revenues, which dropped in fiscal 1991 and 1992, are expected to slip substantially in fiscal 1993.

As a way to strengthen Japan's fiscal base, the panel, in a separate report, urged all-out government efforts to slash spending. The report called for a drastic review of spending allocations for public projects, budget areas widely viewed as rigid due to turf battles among ministries.

In order to get rid of this rigidity, the panel recommended setting priority areas based on actual spending needs.

Required spending cuts cited by the report also include social security, education, defense, agriculture and transportation.

Hiraiwa Urges 'Sweeping' Reforms

OW0902130594 Tokyo KYODO in English 1249 GMT 9 Feb 94

[Text] Fukuoka, Feb. 9 KYODO—The head of Japan's most powerful business lobby on Wednesday [9 February] called on the government to implement sweeping tax reforms.

Speaking at a news conference in this southwestern city of Kyushu, Gaishi Hiraiwa, chairman of the Federation of Economic Organizations (Keidanren) said, "the government needs to figure out ways, with a public consensus, to secure financial sources to cover tax cuts, taking full account of the rapid aging of Japanese society." He was referring to the government's decision Tuesday to slash income and other taxes worth 5.47 trillion yen as part of a pump-priming package aimed at lifting the flagging economy out of the doldrums.

The government is to form a consultative body to discuss the funding question for enactment by the end of the year.

Hiraiwa sought an early implementation of the 15.25 trillion yen economy-boosting package, saying a delay would sap its effect on the economy.

Income Tax Cut 'Unavoidable'

OW0902130894 Tokyo KYODO in English 1255 GMT 9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—A government tax panel issued its report on fiscal 1994 tax reform Wednesday [9 February], endorsing the income tax cut but expressing regret over its insufficient discussions. The report handed to Prime Minister Morihiro Hosokawa also features tax breaks to encourage housing purchases, the correction of unfair tax treatments and liquor tax hikes.

The Tax Commission, an advisory panel to the prime minister, considers the income tax cut as "unavoidable for a limited one-year period...As an emergency escape to find a way out of the economic slump."

But it calls for "appropriate measures over financial burdens caused by the temporary income tax cuts," and stresses that the tax plan is against the panel's November "medium-term" report that recommends a "single dealing" of an income tax cut and a hike in the consumption tax.

Speaking at a press meeting after handing over the report, panel chairman Kan Kato said he expressed his "regret" to Hosokawa that the panel was not given sufficient time to discuss its proposals thoroughly.

The government and ruling coalition parties decided Tuesday on the 20 percent income tax cut, totaling 5.47

trillion yen, but left aside the funding issue by setting up a forum to discuss it for enactment as law by the end of the year.

The tax plan was included in a record 15.25 billion yen economic stimulus package unveiled later Tuesday.

Kato urged the forum to promptly decide on tax reform bills based on the November report, and said his panel would also continue studying the issue to win public support. But he also noted that the government and coalition debate over the tax issue helped raise public interest, and repeated that the funding problems should be settled in "six months" while that interest remains high.

The report spells out that the panel "recognizes (the tax plan) as a bridge toward realizing the tax reform" for a balanced tax system among income, consumption and assets to cope with the aging of the population.

Meanwhile, the panel also supports the government's planned inheritance tax cuts, and the abolition of special corporate tax, and a higher consumption tax rate on passenger cars. The report endorses "appropriate" tax incentives to spur housing and other effective use of land, but notes that the basic framework decided in fiscal 1993 tax reforms to prevent a revival of speculation and a land price boom must be maintained.

On unfair tax treatment, the panel recommends raising the special low tax rate or lowering the tax exemption amount, currently at 30 percent, on donations to religious and other nonprofit organizations.

As for entertainment expenses which are seen to be used by companies to evade corporate tax, the panel wants the government to levy a given proportion of the current amount of tax exemption at smaller businesses.

Concerning the punitive heavy tax on unexplained expenses proposed earlier by the coalition parties, the panel thinks it should be "temporary" because the effects on corporate activities and tax enforcement are unpredictable.

The panel also calls for reviewing special tax treatments on mass media and six other designated businesses and rewards to medical practitioners under the social security program.

The report approves the tax hikes on beer and other liquor decided earlier by the government.

University Fees Increase Planned

OW0902134394 Tokyo KYODO in English 1314 GMT 9 Feb 94

[Text] Tokyo, Feb. 9 KYODO—The Finance Ministry is planning to raise the fees of state-run universities by around 36,000 yen to 447,600 yen per year. The increase is to take into account the possibility of a large shortfall

in tax revenue and a widening gap with the fees of private universities, ministry officials said Wednesday [9 February].

The ministry intends to apply the new fees to those who enter state universities in April 1995. The plan, if approved, would be incorporated into its budget proposal for fiscal 1994, which starts in April.

The fees of state-owned universities were hiked in fiscal 1991 and 1993 by 36,000 yen each.

Private universities have raised fees almost every year, with average fees for students majoring in liberal arts standing at 587,900 yen a year, those majoring in engineering at 787,900 yen and those majoring in medicine at 2,444,700 yen.

Bond Issuance Plan Boosted

*OW0902111894 Tokyo KYODO in English 1103 GMT
9 Feb 94*

[Text] Tokyo, Feb. 9 KYODO—Japan plans to issue a record 36.53 trillion yen in government bonds in the coming fiscal year, up 6.61 trillion yen from its plan in the initial fiscal 1993 budget, the Finance Ministry said Wednesday [9 February]. That will break the record 29.92 trillion yen initially planned for the current fiscal year ending March 31, said a ministry official.

The government boosted its bond issuance plan for fiscal 1993 to 37.79 trillion yen through two sets of extra budgets and is to increase it further with a third one slated for release Thursday. The fiscal 1994 forecast includes deficit-covering bonds but their amount will not be officially decided until a cabinet meeting Thursday morning, the official said.

Government bond issuance in the private sector is expected to rise 7.56 trillion yen in fiscal 1994 from this fiscal year's initial plan to 28.76 trillion yen, but the total amount digested by the public sector will likely dip by 95 billion yen to 7.77 trillion yen, the report said. It forecast the amount of government bonds placed in public auction will climb by 4.36 trillion yen to 16.56 trillion yen, with big increases in both four and six-year issues for which the official cited strong demand.

But despite the inflated supply of bonds in the market, the ministry official said there was "no big concern" over rising rates as the economy remains stagnant and credit policy remains loose.

The dip in public-sector handling of bonds will result from a 1.70 trillion yen drop to 3.69 trillion yen by the ministry's trust fund bureau, as its ability to buy bonds is restricted by tight budgets, the official said. But he said the ministry has sought the help of underwriting syndicates to pick up the slack, with the report saying their purchases will rise 3.20 trillion yen to 12.20 trillion yen.

Purchases by the Bank of Japan should rise 2.62 trillion yen to 2.82 trillion yen as it rolls over expiring issues in its holdings.

Tax-Exempt Write-Offs of Bad Loans Permitted

*OW0402114494 Tokyo KYODO in English 1101 GMT
4 Feb 94*

[Text] Tokyo, Feb. 4 KYODO—The Finance Ministry will permit tax-exempt write-offs of some bad loans by Japanese banks and other financial institutions, ministry officials said Friday [4 February].

The move, beginning in the current fiscal year ending March 31, is intended to speed up the liquidation of bad loans to housing loan companies and other debt-ridden nonbank financial institutions, the officials said.

Under present plans, financial institutions will create new companies to buy their interest-exempted loans to nonbanks.

The institutions, which have exempted interest payments on some loans to help bail out debt-ridden loan recipients, will be allowed to make tax-free write-offs of losses from the selling of loans. Write-offs of interest-exempted loans, tax-free or otherwise, have not been allowed since they are intended to help the bailout of loan recipients.

Officials Negotiate Over GDP Growth Target

*OW0802080694 Tokyo KYODO in English 0754 GMT
8 Feb 94*

[Text] Tokyo, Feb. 8 KYODO—Government officials started final negotiations Tuesday [8 February] to coordinate views on a projected 2.4 percent growth target for Japan's gross domestic product (GDP) for fiscal 1994, beginning April 1. The negotiations also cover a projected 2.6 percent growth target for gross national product (GNP) for the year, the officials said.

GNP, the value of goods and services produced by a country, includes income remitted to Japan by Japanese companies and individuals here or Japanese companies overseas. GDP does not.

The final targets may be revised upward from the projections under study, since the Finance Ministry and the Ministry of International Trade and Industry (MITI) are calling for a GDP growth target ranging from 2.5 to 3.0 percent, the officials said. But the Economic Planning Agency (EPA) has insisted on a growth target of slightly over 2.0 percent, in the belief that full economic recovery will be delayed until the second half of fiscal 1994.

The estimate for GNP growth in fiscal 1993 is likely to be cut to 0.2 percent from the initial forecast of 3.3 percent, the officials said.

Coalition Budget Platform Highlights Small Firms*OW0902050794 Tokyo KYODO in English 0425 GMT
9 Feb 94*

[Text] Tokyo, Feb. 9 KYODO—Japan's governing coalition adopted a broad fiscal 1994 budget platform Wednesday [9 February], calling for special attention to be paid to smaller businesses and job security. The seven-party coalition indicated that the government's budget should show concern for the running of small and mid-sized firms and for stabilizing employment conditions, areas particularly affected by the nation's prolonged recession.

The coalition, which also issued a tax reform platform, presented its view on the budget for the fiscal year starting in April, the draft of which will be presented to the government by the Finance Ministry on Thursday.

In line with Prime Minister Morihiro Hosokawa's emphasis on turning government attention toward improving people's standard of living, the platform calls for rethinking budget priorities and reviewing the long-fixed system of public works projects.

The coalition called for measures as soon as possible, in the wake of December's agreement settling the Uruguay Round of world trade talks, for reforming Japanese agriculture, including training to keep younger generations on the farm and revitalizing remote mountain communities.

On the international front, the coalition platform calls for increasing the number of diplomats, improving Official Development Assistance and actively addressing such global issues as environmental problems and drug abuse.

EPA Report Says Economy Virtually Unchanged*OW0802003994 Tokyo KYODO in English 2352 GMT
7 Feb 94*

[Text] Tokyo, Feb. 8 KYODO—Japan's economy remains in a slump, with almost all sectors showing no vitality whatsoever, the Economic Planning Agency (EPA) said Tuesday [8 February]. In a monthly economic diagnosis virtually unchanged from the previous month's, the agency said, "The Japanese economy is going through an adjustment phase and showing an overall slump."

The agency said both consumers and corporations remain tight-fisted, despite a few signs in personal spending which some analysts say might indicate a pickup. An agency official briefing reporters on the report said there are some such signs, such as upturns in household spending and recovery in department store sales and in durable goods sales.

But all of them are unconvincing as they are caused by temporary factors rather than by a steadfast change in the consumer trend. "We have to watch these more carefully," the official said.

The EPA report also noted that inventory reductions have hardly progressed recently, leaving industrial production sluggish. With their finances under a squeeze, corporations are pessimistic over the future of their businesses, it said.

On the labor front, the jobless rate has steadily increased while job offers have decreased, particularly in the manufacturing sector.

The only bright spots, the report said, are public works spending, boosted by the government's efforts to galvanize the economy, booming housing construction, resulting from low interest rates, and stable prices.

EPA Sets GDP Growth Target of 2.4 Percent*OW0902061894 Tokyo KYODO in English 0556 GMT
9 Feb 94*

[Text] Tokyo, Feb. 9 KYODO—The Economic Planning Agency (EPA) set a fiscal 1994 growth target for Japan's real gross domestic product (GDP) of 2.4 percent Wednesday [9 February]. The forecast 2.4 percent growth target for the year starting April 1 marks the lowest since the government set a target of 2.5 percent in fiscal 1974 on a real gross national product (GNP) basis.

The latest EPA forecast is much higher than the less than 1 percent projected by most private think tanks. It represents the agency's perception that the economy will shift to a full-fledged recovery track by the end of the next fiscal year.

The 2.4 percent growth comprises a 3.0 percent rise in domestic demand and a 0.6 percent shrinkage in external demand, the officials said. They said the agency forecasts a current account surplus for the year of 13.8 trillion yen, against the 14.4 trillion yen projected for the current year.

Consumer prices are forecast to rise 1.5 percent and wholesale prices 0.2 percent.

The GNP growth projection for this fiscal year was revised down to 0.2 percent from initially projected 3.3 percent, the officials said.

The projections, reported to Prime Minister Morihiro Hosokawa on Wednesday, will be finalized at a meeting of cabinet ministers responsible for economic matters on Thursday.

'Gloomy Economy' Decreases Demand for Passports

*OW0302113494 Tokyo KYODO in English 1047 GMT
3 Feb 94*

[Text] Tokyo, Feb. 3 KYODO—The gloomy economy in Japan has cut into both the number of travelers going abroad and those acquiring passports, a Foreign Ministry report released Thursday [3 February] said. The number of ordinary passports issued in 1993 was 4,663,372, down from 4,677,020 from the previous year, the report said.

January and February marked the largest drop in passports issued in 1993, each slipping 13 percent compared with the same months in 1992, the report said. It attributed the decreases to the sluggish economy.

But the high yen and low-priced travel packages offered by travel agencies to boost overseas trips pushed up slightly the number of document issued in the latter half of the year, it said.

Of the total, men accounted for 51 percent and women 49 percent, the report said.

The number of women obtaining passports continued to rise, up 60,000 from the previous year, while the figure for men fell by 70,000, it said.

Women aged 19 or younger and those in their 20s also outnumbered men, while women in their 70s and 80s receiving passports marked a record high at 46 percent, it said.

The report also found that the number of Japanese who lost or had their passports stolen in and out of Japan increased to a total 31,308.

Although the number of instances in which diplomatic offices abroad had to issue new passports decreased by 5 percent to 4,154 cases, there were 27,154 cases requiring Japan to reissue the document, it said.

Ozawa Interview on Tax, Political Reform, DPRK

*OW0802013794 Tokyo FNN Television Network in
Japanese 2238 GMT 5 Feb 94*

[Editorial Report] Tokyo FNN Television Network in Japanese at 2238 GMT on 5 February carries, during its weekly "News 2001" program, a 74-minute interview with Shinseito Secretary General Ichiro Ozawa. The program, which is moderated by Yuji Kuroiwa and Kaori Matsuyama, includes regular guests freelance commentator Kenichi Takemura and Keio University Professor Yoshiaki Kobayashi.

At 2239 GMT, regarding the process of proposing the national welfare tax announced by Prime Minister Hosokawa, Ozawa says the tax reform system has been discussed among the ruling coalition parties for a long time, and the proposed tax did not crop up suddenly. He notes the need for substantial discussion on the tax

system. Takemura, noting Social Democratic Party of Japan (SDPJ) opposition to the Hosokawa-proposed national welfare tax, says the media have reported that two or three people, including Ozawa, decided on the tax without consulting with the SDPJ. In reply, Ozawa says the proposed tax was announced after discussion among the coalition parties. Asked about the timing for deciding on ways to raise funds for the tax cuts, Ozawa says: "I have no objection to spending several years in making the decision. However, implementing tax cuts repeatedly until then by issuing deficit-covering national bonds incontinently is very bad for the future of Japan. This is like a drug. Issuing deficit-covering national bonds is the easy way out."

At 2249 GMT, Kazuhide Uekusa, a laboratory man at the Stanford University, in a satellite relay from Los Angeles, gives his views on the U.S. stance with the 11 February Japan-U.S. summit approaching. Asked how the current situation concerning the tax debate will affect relations between Japan and the United States in future, Ozawa says: "It is true that this is of no benefit to Japan-U.S. relations. However, I believe the United States is coolly considering whether it is appropriate for it to attack Japan out of spite at the present. Meanwhile, in Japan, serious discussion should be held among the people on the tax system or funds for tax cuts." On the policy-deciding system of the ruling coalition, he says: "There is no problem with the system."

At 2255 GMT—following a two-minute commercial break—Ozawa discusses the national welfare tax, social welfare, the tax system, and other general topics. He says the Hosokawa-proposed national welfare tax is necessary to prepare for the upcoming aging society. Explaining the current tax system, Ozawa states the balance between direct and indirect taxes has to be rectified, and stresses the need to improve the pension and medical security systems. He casts doubt on the effect of income tax reduction as an economic pump-priming measure, saying: "Tax reduction for policy purposes, such as tax cuts concerning housing and land, is more effective" in revitalizing the economy. He then explains how the current preferential taxation system has to be remedied.

Matsuyama asks about the possibility that Shinseito and Komeito will merge as a prelude to reorganization of the political world. Ozawa replies: "It is impossible. The mass media are trying to emphasize the Shinseito-Komeito line. There is no possibility that our party will ally with Komeito to take the lead in doing something." Ozawa also denies the possibility that the ruling coalition and the Liberal Democratic Party will merge to form a large coalition.

On what Japanese society ought to be like, he states that a society in which personal ability is displayed and personal imagination is developed should be established.

At 2336 GMT, Ozawa comments on the threat of the DPRK's nuclear programs and Japan's crisis control. He says: "I think (North Korea) definitely has nuclear arms.

Therefore, it has delayed talks with the United States on one pretext or another. There is no progress in the talks. It has been said that the country is just playing for time. I do not think the country will accept the IAEA's full-scale inspection of its nuclear facilities. I think its nuclear arms have already been completed." He predicts a power struggle after Kim Il-song steps down, and notes the possibility that there might be upheaval on the Korean peninsula. In this connection, Ozawa says: "There is no crisis control system in Japanese society." Reviewing Japan's diplomacy at the time of the Persian Gulf war, Ozawa says Japan lacks the ability to make a quick decision on diplomatic affairs. He questions what Japan would do if the DPRK took military action and the United Nations, led by the United States, tried to deal with it. Ozawa stresses that it is important for politicians to make a quick decision and to act responsibly.

At 2350 GMT—following a two-minute commercial break—In reply to a question sent via fax by MAINICHI SHIMBUN special editor Takao Iwami, Ozawa says the priority political task from the medium- to-long term viewpoint is to change the current political structure and to establish a political system that prevents Japan from being isolated in the international community. The interview winds up at 2352 GMT after Ozawa stresses the need for all people to cooperate in carrying out political reform.

Surveys Indicate Drop in Support for Cabinet

OW0802011694 Tokyo KYODO in English 2321 GMT 7 Feb 94

[Text] Tokyo, Feb. 8 KYODO—Public support for the cabinet of Prime Minister Morihiro Hosokawa has plummeted to 52.5 percent from 64.7 percent in December following the political crisis sparked by his announcement last week of a new 7 percent indirect tax, the NIHON KEIZAI SHIMBUN reported Tuesday [8 February]. It was the lowest since Hosokawa formed the coalition cabinet last August, the business daily said.

Of those questioned, 65.4 percent opposed the "national welfare tax," compared with 32.2 percent who supported it.

On Monday, TV ASAHI reported that its opinion survey indicated a significant 21.1 percentage point decline in the cabinet's approval rating to 56.3 percent, down from 77.4 percent on January 30 after Hosokawa succeeded in getting political reform enacted by the Diet.

The NIHON KEIZAI's telephone poll, conducted between Friday and Sunday, covered 3,000 out of Japan's 94 million voters, of whom 1,868 gave valid responses.

The poll showed 27.2 percent did not support the cabinet, up from December's 14.9 percent. Those who made no clear answer reached 20.3 percent, up from 20.5 percent.

It said 40.3 percent were dissatisfied that Hosokawa decided on the new tax "without full debate" and 37.3 percent opposed the process of decision-making in which "an abrupt decision" was reached "in closed-door sessions."

The poll indicated 19.0 percent voiced full-fledged or qualified support for the decision-making process.

The opposition Liberal Democratic Party (LDP) was the most popular among political parties at 28.0 percent, up from 23.2 percent in December, followed by the Social Democratic Party at 12.8 percent, up from 11.2 percent, Shinseito at 10.3 percent, down from 12.1 percent, and the Japan New Party at 9.4 percent, down from 14.6 percent.

Asked who they support most among nine leading politicians, 17.5 percent said former Prime Minister Toshiki Kaifu, 14.4 percent House of Representatives speaker Takako Doi, 12.6 percent LDP Policy Affairs Research Council chairman Ryutaro Hashimoto, and 11.1 percent Foreign Minister Tsutomu Hata. Hosokawa was not among the nine.

Survey Shows Land Prices Continue To Fall

OW0802123194 Tokyo KYODO in English 1118 GMT 8 Feb 94

[Text] Tokyo, Feb. 8 KYODO—Land prices in Japan were continuing to fall as of January 1 due to Japan's prolonged economic slump, the National Land Agency said in a survey released Tuesday [8 February].

The agency made a spot survey on 849 sites in residential and commercial districts of both big and smaller cities, including Japan's major centers of Tokyo, Nagoya and Osaka. The survey is conducted once every three months.

Of 522 residential tracts, prices on 88 were down substantially, an increase from the 81 recorded in the previous three-month-period survey, while prices on 163 fell slightly, down from 139, and prices on 264 remained flat, up from 258.

Prices fell across the board on the 327 commercial sites.

'Trigger System' on Real Estate Loans To End

OW0402142194 Tokyo KYODO in English 1331 GMT 4 Feb 94

[Text] Tokyo, Feb. 4 KYODO—The Finance Ministry will abolish its system of automatically imposing a limit on loans to the real estate industry when certain conditions are met, ministry officials said Friday [4 February]. The "trigger system," introduced in 1991 to control growth in loans to the industry, has never been put into force.

The system will be abandoned under the new financial policy guidelines that the ministry will announce after

the government comes out with its new pump-priming package on or after Saturday, the officials said.

Abolition of the system is unlikely to rekindle the kind of serious land price inflation that Japan experienced during the years of the inflationary bubble from the late 1980s to the early 1990s, the officials said.

Loans to the real estate industry by banks and other financial institutions have remained at a low level in recent years due to the economic recession.

The Finance Ministry introduced the trigger system in 1991, when it abolished its arrangement for limiting the growth of loans to the real estate industry to less than that of total loans to all industries.

The officials said the trigger system will be abolished to help activate land transactions and promote business recovery.

Officials on Allocations for Domestic Farmers

*OW0802151294 Tokyo KYODO in English 1448 GMT
8 Feb 94*

[Text] Tokyo, Feb. 8 KYODO—The government Tuesday [8 February] decided on outlays of 230 billion yen in its package of economic stimuli for strengthening the nation's agriculture, government officials said.

The spending, included among the additional outlays for public works projects, is aimed primarily at improving the foundation of agriculture and expanding the scale of farms, they said. The decision is a follow-up to a new global trade agreement reached last December under the General Agreement on Tariffs and Trade (GATT). The Uruguay Round accord calls for opening Japan's rice market to imports.

Of the total expenditures for beefing up agriculture, 145 billion yen will be allocated by the government itself, officials said.

Agriculture, Forestry and Fisheries Minister Eijiro Hata had high marks for the decision, saying, "The stage has been set (for dealing adequately with the effect of the Uruguay Round agreement on domestic farmers)."

Transfers Force Men To Live Without Families

*OW0502012994 Tokyo KYODO in English 0104 GMT
5 Feb 94*

[Text] Tokyo, Jan. 27 KYODO—Job transfers have forced some 481,000 men, or some 1 percent of male employees, to live apart from their wives and children, the Management and Coordination Agency said in a survey released Thursday [3 February]. Such job-related family separations recorded up to October 1992 soared by 62,000 or almost 15 percent over 1987, the year of the previous survey on job transfers, and a further increase can be anticipated, according to the survey.

"Due to problems such as children's schooling or house ownership, the number of fathers leaving their families behind when taking up a new job is likely to continue to increase," the survey said. The higher the number of employees at a company, the more likely that employees will be assigned to a post in another city without their families.

Such male employees are most often to be found among those in the middle echelons of management. The vast majority, about 70 percent, are in their 40s or 50s.

These facts further corroborate the stereotyped image of the salarymen living apart from his family as being "middle management staff with a major company," the survey said. Most men living a job-related single life had been transferred to Tokyo, some 59,000, followed by 35,000 assigned to new posts in Kanagawa Prefecture, and 30,000 working in Chiba Prefecture.

North Korea

Country Said 'Prepared for War' Over Sanctions

*HK0902105694 Hong Kong AFP in English 1027 GMT
9 Feb 94*

[Text] Beijing, Feb 9 (AFP)—Pyongyang "is prepared for war" should Washington force the imposition of sanctions over the nuclear issue, a North Korean diplomat said here Wednesday. "If the United States decides to make sanctions against us we can answer. These sanctions are pressure against us so we are prepared for war or peace," North Korean Counsellor to Beijing Choe Han-chun told journalists.

North Korea has refused to accept International Atomic Energy Agency (IAEA) inspections of facilities in Yongbyon, north of Pyongyang, suspected by Western countries of storing plutonium for making nuclear weapons. Washington and Seoul have warned Pyongyang that it would face concerted international action, most likely sanctions, if it fails to agree to inspections before February 21, when the IAEA convenes a board of governors' meeting.

Choe said the hardline Stalinist state would agree to inspections only when "the United States is not trying to force us and make the circumstances to receive the inspection." However, he reiterated that his country would not open all its facilities to "irregular and ad hoc" inspections, as the IAEA is demanding. "To inspect all facilities means we give full scope inspection—we did not promise this inspection to the United States. We promised only for guaranteeing the continuity of the safeguard," he said. Choe said the situation on the Korean peninsula would remain "dangerous and still strained" until the United States and South Korea called off planned Team Spirit military exercises.

China—which has veto power on the U.N. Security Council—has opposed sanctions, cautioning that they

could drive isolated North Korea to an unpredictable response and urging the United States to continue negotiations.

Radio Denounces ROK Foreign Minister's Remarks

SK0802144394 Pyongyang Korean Central Broadcasting Network in Korean 1153 GMT 8 Feb 94

[Commentary by Chong Pong-kil: "The Very Dangerous Bellicose Absurd Remarks"]

[Text] According to broadcast reports from Seoul, Han Sung-chu, who is called the minister of the puppet Foreign Ministry, raved about some kind of dialogue to resolve the nuclear issue of the North at the conference of heads of overseas missions. He added bellicose absurd remarks that when circumstances do not permit dialogue, it was also the government's consistent stance to take strict measures against the North.

These very dangerous provocative absurd remarks are leading the situation on the Korean peninsula to a phase of war [chonjaeng kungmyon] and are outraging our people.

As everyone knows, the whole world recognizes that the nuclear issue in our country is an issue to be resolved between us and the United States. The reason the nuclear issue has been raised on the Korean peninsula is because the United States is increasing the risk of nuclear war [haekchonjaeng wihom] by introducing more than 1,000 nuclear weapons of various types to South Korea; is deploying them in forward positions in the areas adjacent to the Military Demarcation Line; and is conducting nuclear war exercises, including the Team Spirit military exercise, against the Northern half of the Republic every day.

Therefore, the nuclear issue on the Korean peninsula should be resolved between us and the United States—the party that introduced nuclear weapons to South Korea and that is increasing the risk of nuclear war. The South Korean puppets are not qualified to interfere in the resolution of the nuclear issue on the Korean peninsula. They only have to act according to the decisions made through negotiations between us and the United States.

If the South Korean puppets have anything to say concerning the nuclear issue, they should frankly apologize to all nations for bringing U.S. nuclear weapons to the land of South Korea to spread nuclear disaster among their fellow countrymen and for increasing the risk of nuclear war with the United States, and should ask to be given due punishment. It is intolerable that Han Sung-chu did not mention one word about this in his attempt to interfere in the resolution of the nuclear issue on the Korean peninsula.

It is ridiculous that the South Korean puppets, which can hardly be called human beings as they are first-class

colonial hunting dogs and flunkyist nation-sellers, are trying to interfere in the nuclear issue of the Korean peninsula.

What cannot be overlooked is that South Korean puppets are raving about some kind of resolute measures while the United States is threatening ultimatums by setting a deadline for us to accept the full-scope inspection [chonmyon sachal] of the International Atomic Energy Agency [IAEA].

The South Korean puppets have so far made innumerable criminal outbursts disparaging us under the pretext of the nuclear issue. However, considering the fact that they spat out more belligerent outbursts, such as a stern measure, we can be well aware that the rascals' new war provocation moves have entered a very grave stage.

The South Korean puppets have committed every strategic move to frustrate the DPRK-U.S. talks during the past period. Today, the process of peaceful solution of the nuclear issue on the Korean peninsula is facing a crisis situation because of the betrayal of the United States [onul migugui paesin haengwirohaeso chosonbando haengmunjeui pyonghwajok haegyol kwajongi wigi sanghwange noigedoeja]. With this situation as a motive, the South Korean puppets are frantically running wild to prevent the third round of DPRK-U.S. talks from being realized and to bring about a nuclear war in our country, which will annihilate the entire nation in collusion with foreign forces.

Under the pretext of the so-called meeting, Han Sung-chu will visit the United States from 16 to 22 February, meet with the U.S. President and secretary of state, establish the final U.S. and ROK position, and discuss a follow-up measure regarding the IAEA decision based on the North's attitude. This is one of the criminal moves to crush the fellow countrymen in collusion with foreign forces.

Even Han Sung-chu babbled about dialogue, this is nothing but a brazen-faced maneuver to cover up their antinational, antipeaceful, and antireunification activity, which is driving our country's situation into the brink of a war.

It is unreasonable for the South Korean puppets, who are trying to enforce the large-scale nuclear war exercise against our Republic in collusion with the United States and deploy Patriot missiles to South Korea, to talk about holding dialogue with us.

Babbling about dialogue while wielding guns [chongdae] is, in fact, an insult to dialogue and negation of dialogue. Han Sung-chu confessed that a stern measure is a consistent position. Thus, the unchangeable real intention of the puppets, who are not interested in North-South dialogue at all and are trying to separate and crush our Republic in collusion with foreign forces, becomes clearer.

Facts show that the South Korean puppets are rushing toward the road to North-South confrontation and war, not toward peace and peaceful reunification, and that they do not hesitate to endanger the entire nation with a nuclear holocaust.

The entire nation set this year as the year for the great national unity and is accelerating the great advance for national reunification. The South Korean puppets, however, are taking the road to war and are the traitorous group that cannot live together under the same sky.

The South Korean puppets should look straight at our people's will and determination and act with discretion. The rascals' reckless new war provocation will only result in their own destruction.

KCNA Carries Denouncement

SK0902101794 *Pyongyang KCNA in English 1009*
GMT 9 Feb 94

["Papers Rap at Han Sung-chu's Sophism on 'Nuclear Issue'"—KCNA headline]

[Text] Pyongyang, February 9 (KCNA)—The South Korean puppet foreign minister, Han Sung-chu, at a recent "meeting of heads of embassies and legations abroad" blared that it is the stand of the "government" to take "a stern measure" in case the "nuclear issue of the North" is not solved. And the South Korean Christian Broadcasting System (CBS) reported that Han Sung-chu would meet with U.S. masters to "readjust" the stand of both sides and discuss the so-called "follow-up measures" pursuant to the "resolution" of the International Atomic Energy Agency.

Commenting on this, papers here today say this suggests that the South Korean puppets will seek international "pressure" and "sanctions" against the fellow countrymen in the North in league with outside forces at whatever costs.

An analyst of NODONG SINMUN says:

The South Korean puppets have neither qualification nor face to run about with the "nuclear issue" of the North.

It is imprudent, ridiculous and shameless that the very ones creating nuclear threats on the Korean peninsula are crying over the "nuclear issue" of the North. This reminds people of a thief crying "stop thief".

It is clear that the South Korean puppets are trying to put a spoke in the wheel of the third round of the DPRK-USA talks aimed at solving the nuclear issue and do harm to the fellow countrymen in the North in league with the outside forces.

Such malicious act can be committed only by traitors who are dyed to the marrow with flunkeyism and treachery.

The reality proves that with traitors such as Kim Yong-sam and Han Sung-chu left alone, neither reunification nor peace of the country can be achieved. If the puppets, together with the outside forces, seek to slay fellow countrymen in defiance of the desire of the nation, it will result in precipitating their self-destruction.

Spokesman Rejects U.S. Human Rights Report

SK0902111394 *Pyongyang KCNA in English 1103*
GMT 9 Feb 94

[Text] Pyongyang, February 9 (KCNA)—A spokesman for the DPRK Foreign Ministry in a statement today decisively rejects the reckless act of the United States in accusing the DPRK of the fictitious "human rights problem" as a violation of its sovereignty prompted by a political aim to stifle its system and as a hostile act of interference in its internal affairs.

The statement says:

The U.S. State Department, in its "Annual Report on the World Human Rights Situation" published on February 1, groundlessly slandered our country as if there were a "human rights problem" in our country. This is a gross distortion of the reality of our country and fabrication which does not deserve a passing note.

As far as human rights are concerned, it is a matter of socio-political rights and economic and cultural rights including the dignity, sovereignty and the right to existence, equality and the right to development which must be guaranteed to man in society.

All these rights are fully ensured in our country.

Our people are genuine masters of the state and society and enjoy an independent and creative life all alike without any social and political uncertainty or any worry about their life under our anthropocentric socialist system. In our country there is not a single jobless person, nor a beggar, nor a vagabond, nor an illiterate, nor a drug addict. Ours is a state where human rights are respected and surely guaranteed.

This notwithstanding, the United States hurled malicious abuses at our country. This is part of its brazen scheme to tarnish the image of our Republic with the nonsensical "human rights problem" as it does with the fictitious "nuclear problem" of our country and to isolate and stifle our socialist cause.

What face does the United States have to criticize others over the "human rights issue"?

At present, there are in the United States more than 1.4 million prisoners, over 9 million unemployed people, millions of vagabonds and 35 million people living below the poverty line. And it is plagued with criminal cases of murder by arms claiming the lives of more than 38,000 people a year and drug consumption which accounts for 65 percent of the world's drug output, and

narcotic-related crimes which are quite common. This is inevitable and is an incurable cancer under the present U.S. social system.

The U.S. President himself could not but admit in his "State of the Union Address" this year to the grave phenomena threatening the U.S. public including violent crimes.

We see almost every day that the United States not only harshly tramples upon the human rights of its people but also perpetrated such inhuman acts as openly overthrowing and destroying sovereign states with the mobilization of its state Armed Forces and making havoc with their people's human rights, while highhandedly interfering in the internal affairs of other countries.

All these facts prove that the United States is the universally recognized worst graveyard of human rights and the kingdom of human rights abuses.

It is the height of impudence for the United States to talk about other's human rights situation, while freely violating human rights within and without.

In its "Report on Human Rights Situation" the U.S. State Department tried to beautify South Korea in a far-fetched way, claiming that the situation of human rights has been "improved" there. This is also the height of sarcasm.

The South Korean authorities under the mask of "civilian government" are getting frenzied in terrorism, arrest, torture and murder in reliance on the "National Security Law" and other fascist laws and repressive tools, overshadowing the successive military dictators.

And countless are cases of human rights abuses by the U.S. Forces present in South Korea.

As regards the present South Korean situation in which human rights abuses have been carried into extremes, however, the United States dare argue that "the human rights situation has improved" there. This is really a brazen-faced deception.

Whatever row the United States may raise over the "human rights problem" it can never impair the essential advantages and invincible vitality of socialism of our style to which the chuche idea is applied.

The United States would be well advised to mind its own business, instead of taking stock of other nations and instructing them, while acting "a judge of human rights" whom nobody recognizes.

U.S. Paper Cited on Allegations About DPRK

SK0802151294 Pyongyang KCNA in English 1505 GMT 8 Feb 94

[Text] Pyongyang, February 8 (KCNA)—The U.S. paper PEOPLE'S WEEKLY WORLD January 22 reported that U.S. figures challenged the allegations of the Central Intelligence Agency (CIA) of the United States about

North Korea at an action forum held in Chicago under the sponsorship of the U.S. academic and religious circles.

The paper conveys their remarks as follows:

Professor of East Asian and International History, Bruce Cummings, pointed to the different estimates of the U.S. State Department, which says, "North Korea may have nuclear weapons" and the CIA, which says the North Koreans have them.

Cummings said the International Atomic Energy Agency (IAEA) relies heavily on the CIA for its "information about North Korean nuclear capability," although IAEA has conducted a series of full inspections of North Korean nuclear sites.

These inspections have been allowed even though the first section of the IAEA's statutes say that any nation can refuse to allow such inspections if it feels another country threatens its security.

Referring to the question of why the CIA persists in its claim that North Korea has nuclear weapons, Professor Henry Em, candidate in history, University of Chicago and instructor at Lake Forest College, charged that the CIA is fighting to maintain its 300 billion dollars annual budget and strives to maintain a "threat of dangerous enemies" as a means to gain public and congressional support.

Em said: "The attitudes ascribed to North Korea can be better applied to the CIA—that it is dangerous, unstable and self-serving."

Military Sources: U.S. Conducts Air Exercises

SK0902042694 Pyongyang KCNA in English 0413 GMT 9 Feb 94

[Text] Pyongyang, February 9 (KCNA)—The U.S. imperialists on February 6 and 7 mobilized overseas-based combat flying groups in an exercise of long-distance mobility and deployment in South Korean bases, according to military sources.

The exercise held with the support of KC-135 tanker planes was an extremely reckless war gamble aimed at examining overseas-based flying groups' capability of quick movement and deployment and entry into a war according to the war scenario of the U.S. imperialists.

In separate action on February 7, formations of Japan-based fighter planes of different types flew above the operational zones in Yongwol and Pyongchang in an exercise of surprise attack and intensive bombing.

Such war maneuvers of the U.S. imperialists, timed to synchronize with the heinous anti-DPRK campaign they have launched on the pretext of the fictitious "nuclear problem" of the DPRK, are premeditated acts of provocation designed to render the situation on the Korean peninsula further strained.

ROK Students Said To Protest Team Spirit Exercise

*SK0902111894 Pyongyang KCNA in English 1049
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—Over 500 students affiliated with the South Cholla Provincial Federation of General Student Councils (Namchongnyon) including Chonnam National University and Chosun University staged a demonstration on February 8 against the U.S. design to resume the "Team Spirit" war exercises, according to a radio report from Seoul.

They condemned "the U.S. scheme to resume 'Team Spirit' as a plot to obstruct the national reunification," and rushed toward the "American Cultural Centre" in Kwangju.

When riot police blocked their way firing tear gas the protesters resisted them with rocks.

NODONG SINMUN Criticizes Japan's Ozawa

*SK0902102394 Pyongyang KCNA in English 1015
GMT 9 Feb 94*

["Ozawa's Utterances Betraying Heinous Intention of Japanese Reactionaries"—KCNA headline]

[Text] Pyongyang, February 9 (KCNA)—Ichiro Ozawa, representative of the Japan Renewal Party, in an interview with Fuji Television on February 6 raved that the DPRK might take "a military action" and Japan must examine "a countermeasure" to cope with "the event of contingency" on the Korean peninsula, slandering the system of the DPRK. Commenting on this, NODONG SINMUN in a commentary today brands the utterances of Ozawa as a dangerous aggressive blast that betrays the heinous intention of the Japanese reactionaries to play the role of a shock brigade of the imperialists in isolating and stifling our socialism.

The analyst says:

Ozawa tried to create an atmosphere of terror with the outcries over "a military action" of the DPRK. This may be termed "a shock propaganda" designed to channel public opinion to a support to the conversion of Japan into a military power and its nuclear armament.

No matter how loudly Ozawa may cry over "threat" from the DPRK, it can convince none of the people who have an unbiased view of things. The world considers that Japan, with its huge stockpile of plutonium, can become a nuclear power in a short time, if it decides to.

Having paved the way for troop dispatch overseas, Japan is going to embark upon reinvasion in Asia, taking Korea as the first target. Ozawa's call for examining "a countermeasure" to cope with "the event of contingency" on the Korean peninsula revealed the intention of Japan to round off the preparations for aggression on Korea and move up the date of military action.

The Korean people will never allow anyone to infringe upon the dignity and sovereignty of our Republic and hurl mud at our system.

The Japanese reactionaries must act with discretion, mindful that the conversion of Japan into a military power, its nuclear armament and a war of aggression would lead them to destruction.

Koreans in Japan Form Human Rights Association

*SK0902105594 Pyongyang KCNA in English 1026
GMT 9 Feb 94*

[Text] Tokyo, February 7 (KNS-KCNA)—The inaugural meeting of the Human Rights Association of Koreans in Japan took place here on February 5.

Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), made a congratulatory speech at the meeting.

He said the formation of the association was of great significance not only in upholding the great leader Generalissimo Kim Il-song and the dear leader Marshal Kim Chong-il with loyalty and defending and exalting the anthropocentric socialist homeland of chuche but also in developing the patriotic movement of Chongnyon to defend and expand the rights and life of Koreans in Japan by bringing together their legal and economic knowhow and technologies.

Solidarity greetings were made by Japanese figures who were present at the meeting as observers.

A letter to Generalissimo Kim Il-song was adopted at the meeting.

Japanese Society Publishes 'Study of Kimilsongism'

*SK0902043294 Pyongyang KCNA in English 0410
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—The Japanese Society for the Study of Kimilsongism published magazine "Study of Kimilsongism" No. 68.

The magazine carries the full texts of the great leader President Kim Il-song's immortal classical work "Young People Must Honourably Accomplish the Revolutionary Cause of Chuche Upholding the Leadership of the Party" and the dear leader Comrade Kim Chong-il's immortal classical work "Let Us Prepare the Young People Thoroughly as Reliable Successors to the Revolutionary Cause of Chuche".

The magazine edits articles headlined "The Great Leader Leading the Twentyfirst Century," "Socialism of Chuche Lighting Future of Mankind", "Ideological and Theoretical Activities of Secretary Kim Chong-il Blazing the Path of the Era of Independence", "Politics of Love and Trust" and so on.

The magazine carries photo-accompanied reports that societies for the study of works of Kim Chong-il have been formed in different parts of Japan and their activities intensified.

Under the title "The Incarnation of Faith and Will" the magazine serializes a note written by Yi In-mo, a former war correspondent of the Korean People's Army.

Envoy in Egypt Views Tension With U.S., Seoul

NC0802191994 Cairo MENA in Arabic 1530 GMT 8 Feb 93

[Excerpts] Cairo, 8 Feb (MENA)—Kim Yong-sop, North Korea's ambassador to Egypt, has stated that the Korean people are looking forward to President Husni Mubarak's visit to the country later this year.

The North Korean ambassador held a news conference at the North Korean Embassy in Cairo today to mark the 52d birthday of Kim Chong-il, chairman of the North Korean Defense Committee and son of the country's leader Kim Il-song. He spoke of the tense situation in the Korean peninsula and praised the friendly relations between Egypt and his country. [passage omitted]

On the situation in the Korean peninsula, he said that the tension has risen to an unprecedented level in the past few days and that his government is making intensive efforts to reunite the two parts of the country by peaceful means and through dialogue. He noted that the United States is not abiding by the clauses of several agreements it concluded with North Korea in recent negotiations and at the same time it is demanding that North Korea fulfill its commitments or face political and economic pressures.

Kim Yong-sop said that the International Atomic Energy Agency [IAEA] continues to use a double standard and although the United States decided to halt the Team Spirit maneuvers, it announced it will carry out another major military exercise.

He said: We demand that Washington halt these maneuvers, not merely change their names, in order to ease the tension and create an appropriate atmosphere for negotiations.

The ambassador said: The United States has announced it will deploy Patriot missiles in South Korea, which would escalate the tension to the point of war, although we want peace. He asserted that if Washington does not fulfill its commitments, North Korea will also not abide by its pledges, will consider suspending its IAEA membership, and transform its current reactors which are employed for useful purposes into nuclear reactors [as received].

He added that North Korea will not beg for a resumption of the negotiations, explaining: We agreed to negotiate in order to ease the tension. We can live without U.S. aid or assistance. If the United States resorts to sanctions, we will adopt the necessary measures in response.

Regarding the position adopted by South Korea and neighboring countries on these developments, the North Korean ambassador said that the South Korean authorities persist in depending on foreign forces and turn their backs on the Korean people in the north.

He remarked: We believe that if the problems between us and the United States are solved, our relationship with Seoul will automatically improve.

He said: Neighboring countries like China, Japan, and Russia have different attitudes on this issue. We respect the views of others and are trying to develop friendly ties with them. We hope that these countries will not escalate tension in this region.

Russian Papers Carry Kim Chong-il's Biography

SK0902112694 Pyongyang KCNA in English 1039 GMT 9 Feb 94

[Text] Pyongyang, February 9 (KCNA)—The Russian papers VETERAN No. 5 and VESTI No. 23 carried the brief biography of the dear leader Comrade Kim Chong-il.

The papers printed portraits of Comrade Kim Chong-il.

Noting that Comrade Kim Chong-il was born on February 16, 1942, the paper VETERAN said his family is the most patriotic and revolutionary family which has fought against foreign aggressors and occupiers and for the independence of the country and for the freedom and liberation of the people and for the accomplishment of [word indistinct] of socialism and communism from generation to generation since the 1860s.

It referred to the immortal feats performed by Comrade Kim Chong-il in the endeavors to accomplish the cause of modelling the whole society on the chuche idea.

Comrade Kim Chong-il is energetically leading the Korean people's struggle to achieve national reunification and the external activities of the Workers' Party of Korea for the strengthening and development of the international communist movement and the world revolution, the paper said, and went on:

He has authored a large number of works including "On the Chuche Idea", "The Workers' Party of Korea is a Chuche-Type Revolutionary Party Which Inherited the Glorious Tradition of the DIU [Down-With-Imperialism Union]", "Let Us Advance Under the Banner of Marxism-Leninism and the Chuche Idea", "Let Us March Forward Dynamically Along the Road of Socialism and Communism Under the Banner of the Anti-imperialist Struggle", "The Workers' Party of Korea Organizes and Guides All the Victories of Our People", "The Historical Lesson in Building Socialism and the General Line of Our Party", "On the Fundamentals of Revolutionary Party Building", "On the Art of the

Cinema" and "On the Theory of Chuche-oriented Literature", thus developing and enriching the revolutionary ideology of the working class on the revolution and construction.

Comrade Kim Chong-il has been awarded many orders of the DPRK and other countries and honorary doctorates of foreign universities for his contributions to the strengthening and development of the Korean revolution and the world revolution and the international communist movement.

Palestinian Envoy Marks Kim Chong-il's Birthday

*SK0902051794 Pyongyang KCNA in English 0453
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—The Palestinian ambassador to Korea, Shahir Mohammed, hosted a reception at his embassy on February 8 on the occasion of the birthday of the dear leader Comrade Kim Chong-il.

Present on invitation were Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and officials concerned.

The Palestinian ambassador in his speech said that he deems it an honor to greet the birthday of the dear leader Comrade Kim Chong-il deeply cherished in the hearts of the Korean people and the world revolutionaries as an auspicious day.

"The militant and comradely relations between the two peoples forged by President Yasir 'Arafat and the great leader Comrade Kim Il-song are demonstrating tremendous power with the passage of time," the speaker noted, adding:

"The Palestinian people will always remember that the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il have always extended positive support and encouragement to the cause of the Palestinian people."

Pointing out that a large number of political parties in the world have become more powerful forces since they received the correct ideas of the great leader and the dear leader, he said that Korea is now a beacon of the socialist and communist movement.

He expressed the firm belief that the Korean people under the wise leadership of the great leader and the dear leader will certainly achieve the progress and prosperity of their country and the national reunification despite any machinations of the imperialists.

Secretary Hwang Chang-yop in his speech said that the Korean and Palestinian peoples have become comrades-in-arms and brothers in the struggle against the common enemy.

He further said:

"We express militant solidarity with the Palestinian people, noting with high appreciation that they, under the leadership of their respected comrade President Yasir 'Arafat are turning out as one man in the struggle to restore their legitimate national rights and completely solve the Palestinian issues. "Our party and people will as ever stand firm on the side of the fighting Palestinian people."

Photo Expo Opens To Celebrate 16 Feb Birthday

*SK0902105994 Pyongyang KCNA in English 1030
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—A National Photo Exposition opened here on February 8 to celebrate the 16th of February.

On display are more than 70 photographs including those showing leadership exploits performed by the dear leader Comrade Kim Chong-il last year in strikingly demonstrating the justice of the party's line of independence and the might of chuche Korea.

The exhibits include pictures about the great leadership of Comrade Kim Chong-il who proclaimed a semi-war state to the whole country, the entire people and all the Army and led the confrontation with the enemy to a shining victory, pictures showing the close singlehearted unity of the Korean people behind the party and the leader, including celebrations of the 40th anniversary of the victory in the fatherland liberation war and the 8th Congress of the League of Socialist Working Youth of Korea, and pictures reflecting the staunch spirit and determination of the Korean youths and People's Army soldiers to trust and follow only Comrade Kim Chong-il and defend him with their lives.

Also on display are photographs showing the boundless reverence of the world's revolutionary people for Comrade Kim Chong-il and the looks of an increasing number of foreigners following the chuche idea.

The opening ceremony of the photo exposition was addressed by Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea.

KCNA Reports Growing Praise for Kim Chong-il

*SK0902110394 Pyongyang KCNA in English 1047
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—The praise of the dear leader Comrade Kim Chong-il by all people is growing higher with each passing day.

It is an irresistible trend of the present times for the world people to deeply trust and revere Comrade Kim Chong-il who is guiding the cause of independence to victory with his tested and veteran leadership.

A typical instance is that gifts of best wishes are presented to him from many countries every year.

Last year, he received precious gifts from party and state leaders of more than 100 countries including Chairman of the C.C. [Central Committee], the Lao People's Revolutionary Party and Premier of the Lao Government Khamtai Siphandon, Syrian President Hafiz al-Asad and Afghan President Borhanoddin Rabbani and prominent figures of governments, political parties and organisations, and international organisations.

Among them are various books, silk banners and congratulatory messages praising the greatness and feats of Comrade Kim Chong-il, treasured swords and gold and silver knives showing their ardent desire for his longevity in good health and hunting equipment and rare medicines.

Among the gifts there are many ornaments of thick national coloring, special clocks, high-grade musical instruments and valuable relics.

The praise and reverence for Comrade Kim Chong-il are found in the fact that books praising his great ideology and theory and feats and noble virtues have been written and published in many copies in a host of countries.

"Kim Chong-il and Shining Korea" (Pakistan), "The Lodestar Which Has Risen Over Korea" (Nepal), "The Genius of the East" (Syria), "Kim Chong-il, Brilliant Great Man" (Mali), "Collection of Papers Marking the 50th Birthday of the Dear Leader Comrade Kim Chong-il" (Japan), "Art of Diamond" (Peru) and many other books have been written and published in recent years to be widely read.

Praise of the revolutionary exploits performed by Comrade Kim Chong-il finds manifestation in orders, medals, honorary titles of various countries awarded to him.

Comrade Kim Chong-il has received supreme orders of many countries including the Kiettikhoun Order (Laos), the Grand Cordon of the National Order of Leopard (Zaire), the Grand Order of Independence (Equatorial Guinea) and the Grand Cross (Mali) and last year he was awarded the Star Order of Sacred Kuds of Palestine and medals of Bagneux City, France; and Marinha Grande City in Leiria Province, Portugal; and titles of honorary professor of the Iquitos and Los Andes de Huancayo Universities of Peru.

Kim Chong-il Sends Birthday Table to Actor

SK0902112594 Pyongyang KCNA in English 1051 GMT 9 Feb 94

[Text] Pyongyang, February 9 (KCNA)—The dear leader Comrade Kim Chong-il sent an 80th birthday table to people's actor Kim Chin-myong.

Kim Chin-myong is a talented singer and composer of national music.

He has composed many Korean national operas, new folk songs and dance music based on the northwestern

provincial folk songs. He has also been on the stage singing folk songs and trained many provincial folk song singers of the younger generation.

Upon receiving the birthday table, he said the care of the dear leader is, indeed, the true great loving care that makes even an old tree bear a fruit, and vowed to devote the remainder of his life to the work of training reserves and finding folk songs.

Report Given at National Symposium on Chuche

SK0902050794 Pyongyang KCNA in English 0431 GMT 9 Feb 94

[Text] Pyongyang, February 9 (KCNA)—Kim Ki-nam, secretary of the Central Committee of the Workers' Party of Korea, made a report on the subject "Modelling of the whole society on the chuche idea is a great programme of socialist and communist construction in our age" at a national symposium marking the 20th anniversary of the proclamation of the programme for modelling the whole society on the chuche idea which opened Tuesday in Pyongyang.

The reporter said:

The dear leader Comrade Kim Chong-il in February 1974, 20 years ago, proclaimed modelling the whole society on the chuche idea as the supreme programme of our party with his scientific insight into the mature requirement of our developing revolution which had entered a new stage and into the process of development of the world socialist movement.

The dear leader Comrade Kim Chong-il said:

"...It is a completely mature requirement to dye the whole society in one idea, the revolutionary idea of the leader under the present condition of our country."

The reporter pointed out:

A new guiding idea was required by the new historic era in which the popular masses had presented themselves as masters of history and their destiny and the revolutionary struggle of the popular masses for socialism had entered a new stage.

It had become the desire of the revolutionary people of the world and urgent requirement of the times to build socialist and communist society with the chuche idea of the respected leader Comrade Kim Il-song as the guiding idea of revolution and under its banner.

This demand of the times concerning the destiny of the socialist and communist cause was fully met when the dear leader Comrade Kim Chong-il scientifically formulated the revolutionary idea of the great leader Comrade Kim Il-song and proclaimed it as the guiding idea of revolution in our era.

The revolutionary idea of Comrade Kim Il-song is, in a word, a system of the idea, theory and method of chuche.

The characteristics of the revolutionary idea of Comrade Kim Il-song which distinguishes it from the preceding revolutionary theories of the working class, is that its quintessence is the great *chuche* idea, the first of its kind in the history of human thought, and it systematizes the revolutionary theory and the method of leadership in an integral way on its basis.

The dear leader Comrade Kim Chong-il expounded that the revolutionary idea of Comrade Kim Il-song, different from the preceding revolutionary ideas of the working class which were the combination of separate doctrines, gives answers to all the theoretical and practical questions of revolution and construction, proceeding from one man-centered philosophical principle and one basic idea of respect for humanity. This is an immortal exploit in that he elucidated the fundamental characteristics of the revolutionary idea of Comrade Kim Il-song and its absolute superiority to the preceding revolutionary ideas of the working class.

Comrade Kim Chong-il, formulating the revolutionary idea of Comrade Kim Il-song, scientifically expounded that his revolutionary idea is an encyclopedic revolutionary idea containing theories of all fields of transforming nature, society and man and all stages of revolution and construction.

Thus it has been convincingly proved that the revolutionary idea of Comrade Kim Il-song is a flawless communist revolutionary theory leading the revolution and construction of our era to victory and an almighty treasured sword which should be tightly held in the whole course of the revolutionary struggle to realise the independence of the popular masses.

Comrade Kim Chong-il, after proclaiming the great *chuche* idea as the guiding idea of the times, set it forth as a great programme of communist construction to dye the whole society in one idea, the revolutionary idea of Comrade Kim Il-song.

The programme for modelling the whole society on the *chuche* idea is a programme of communist construction to remould man, reform society and remake nature as required by the *chuche* idea and thus build and complete communist society which is based on the *chuche* idea and to which it is fully applied.

The dear leader Comrade Kim Chong-il was the first in history to define the course of socialist and communist construction as a course of embodying the revolutionary idea of the leader and dying society in the revolutionary idea of the leader by proclaiming the programme for modelling the whole society on the *chuche* idea.

The proclamation of the programme is a scientific discovery that socialist and communist society is, in essence, a society in which the independence of the popular masses has been fully realised and, at the same time, the whole of it is singleheartedly united.

With the proclamation of the programme by Comrade Kim Chong-il, it has become clear that socialist and communist society is a society in which the independence of the popular masses has been completely realised in all fields of social life and that the strategic target of socialist and communist construction is to occupy the ideological and political fortress and the material fortress by remaking nature, reforming society and remoulding man to meet the demand of the popular masses for independence.

Thus the limitation of the preceding theory that communism can be realised only if the material wealth is increased by developing productive forces was overcome and the unreasonableness and reactionary essence of the view of the modern revisionists who pursued only "material prosperity" was exposed and refuted.

At the same time, the programme clarified that socialist and communist society is a society of singlehearted unity all members of which are closely united as comrades to form a socio-political organism.

The programme is a programme of singlehearted unity which fully embodies and consummates the unique idea and revolutionary stand on dying the whole society in the *chuche* idea to make it a community of destiny whose members are united around the leader with comradely love and revolutionary obligation on the basis of the idea of the leader.

For this the banner of singlehearted unity is a great revolutionary banner which firmly guarantees the victory of socialist and communist construction.

It is, indeed, the immortal exploits of the dear leader Comrade Kim Chong-il which will shine through generations with the advance of history and the eternal treasure of the *chuche* cause that, by scientifically formulating the revolutionary idea of Comrade Kim Il-song and proclaiming the programme for modelling the whole society on the *chuche* idea, he exalted the revolutionary idea of the great leader as the guiding idea of the age of independence and opened a true way of building socialism and communism in which the independence of the popular masses will have been completely realised on the basis of the *chuche* idea.

The reporter noted that the dear leader Comrade Kim Chong-il has wisely led the struggle of our people to materialize the programme for modelling the whole society on the *chuche* idea.

He said:

What holds a brilliant place in the great exploits of the dear leader Comrade Kim Chong-il who has led the socialist cause of our people to victory under the banner of modelling the whole society on the *chuche* idea is, first of all, that he made clear the essence of socialism and the law of its realisation and has turned our socialism into socialism of *chuche*.

By studying socialism centering on the popular masses by applying the *chuche* idea, he overcame the limitation of the preceding socialist idea and theory attaching decisive significance to economic necessity by placing economic relations in the center and clarified that socialism is not only a society where social equality prevails, free from exploitation and oppression of man by man, but also a society where the popular masses lead an independent and creative life suitable to the intrinsic character of social human beings, firmly united in comradeship as the common masters of the state and society.

After establishing the scientific idea and theory on socialism centering on the popular masses, he has successfully applied this great idea and has wisely led the struggle to remould and develop man, economy, culture and all other sectors of social life under the banner of the three revolutions, ideological, technical and cultural, to suit the nature of socialist society.

What holds a brilliant place in his great exploits in leading the socialist cause of our people to victory under the banner of modelling the whole society on the *chuche* idea is also that he expounded a new revolutionary idea on the formula of building socialism and has decisively turned the *chuche* style, the Korean style into a universal revolutionary formula of our times.

He, making it his motto of revolution to establish *chuche*, put forward the revolutionary slogan "Let us live our own way" and successfully applied the unique idea of carrying on revolution our own way and creditably fulfilled the historic tasks raised by the socialist movement of our times.

Embodied in our style, the *chuche* style are man-centered *chuche* philosophy, politics centering on the popular masses, our people's consciousness of national independence and national self-confidence.

He, with the faith and will of *chuche*, has built the party our own way, built the state by our own faith and developed politics, economy and culture our own way. This is why the socialism of our country is being built and developed by our people's own efforts, not by imitation of other countries nor by instructions or pressure of someone, and is making a long drive as invincible socialism unshakable and indestructible in any political storm of the world.

What holds a brilliant place in the great exploits of the dear leader is also that he has remarkably strengthened and developed the political forces of revolution and the Armed Forces.

He gave precedence to firmly building the party organizationally and ideologically in leading the revolution and construction and has strengthened the people's power and enhanced its function and role in every way.

It is an outstanding exploit of Comrade Kim Chong-il, the supreme commander, and a shining fruition of his *chuche*-based military idea and commanding art that he,

as a peerless brilliant commander, has built up our People's Army into the army of the leader, the army of the party whose lifeblood is loyalty to the party and the leader and has strengthened and developed it into each-a-match-for-a-hundred revolutionary Armed Forces capable of defeating any aggressor.

What holds a brilliant place in his exploits is also that he has established an orderly scientific theory on the inheritance and completion of the socialist cause on the basis of the revolutionary outlook on the leader and given a steadfast continuity to the vitality of our revolution.

He defined it as an important task concerning the destiny of socialism to correctly resolve the issue of succeeding the socialist cause and gave a most correct answer to this by studying the course of starting and developing the socialist cause with the leader in the center for the first time in history, on the basis of his scientific analysis of the practical experiences of the Korean revolution and the historic lessons of the socialist movement.

It is thanks to Comrade Kim Chong-il, an outstanding thinker and theoretician produced by mankind that our party has become a great party with the immortal guiding idea of the completion of the revolutionary cause of *chuche*, our motherland has become a glorious country glorifying the guiding idea of the times generation after generation and our people have become a great people who are building socialism and communism along a most straight road.

The reporter in conclusion laid stress on adding shine to our-style socialism centering on the popular masses by thoroughly implementing the programme for modelling the whole society on the *chuche* idea and upholding with loyalty the idea and leadership of the dear leader Comrade Kim Chong-il in order to reunify the country and accomplish the revolutionary cause of *chuche*.

Further on Chuche Symposium

SK0902053294 *Pyongyang KCNA in English* 0459
GMT 9 Feb 94

[Text] Pyongyang, February 9 (KCNA)—A national symposium opened at the People's Palace of Culture here Tuesday to mark the 20th anniversary of the proclamation of the programme for modelling the whole society on the *chuche* idea.

The symposium will hear speeches proving scientifically and theoretically the validity and the great vitality of this programme, the first of its kind in history proclaimed by the dear leader Comrade Kim Chong-il on February 19, 1974.

It will be a grand political festival exalting the exploits of Comrade Kim Chong-il in exceptionally enriching the treasurehouse of the *chuche* idea through his energetic ideological and theoretical activities, and another significant meeting inspiring the struggle of the Korean people

in their dynamical advance towards the victory of the popular masses' cause of independence, the cause of socialism.

Present at the symposium were Vice-President Yi Chong-ok and secretary of the C.C. [Central Committee], the Workers' Party of Korea [WPK] Kye Ung-tae who are Politburo members of the WPK Central Committee, alternate Politburo member of the C.C., the WPK and chairman of the Supreme People's Assembly Yang Hyong-sop, secretaries of the WPK Central Committee Kim Ki-nam and Kim Kuk-tae, Vice-premier of the Administration Council Chang-chol and other officials concerned, party propagandists, men of science, education, party cadre training centres, the press, culture and art and officials dealing with revolutionary relics and records.

A delegation of the Association of Korean Social Scientists in Japan led by director of its Central Standing Council Pae Chin-ku, on a visit to the socialist homeland, was present.

Kim Ki-nam delivered a report titled "Modelling of the Whole Society on the Chuche Idea Is a Great Programme of Socialist and Communist Construction in Our Age".

Then followed speeches.

The symposium continues.

Joint Greetings Sent to Seminar

*SK0902112794 Pyongyang KCNA in English 1110
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—The Central People's Committee and the Administration Council of the Democratic People's Republic of Korea today sent a message of greetings in joint name to the international seminar on the chuche idea of independent development and mutual cooperation of the world people which is due to be held in Kampala.

The message says:

It is a significant event to hold the international seminar on the chuche idea to discuss the question of independent development and mutual cooperation of the world people in a historical period when independence has become an irresistible trend of the times.

To dismantle neo-colonialism, the leftover of the old era, and achieve complete economic liberation of countries and consolidate their political independence is an urgent requirement of the present time which is advancing along the road of independence and a common task of the peoples of the developing countries.

The chuche idea is the most humanitarian and democratic idea which opposes all manner of domination and subjugation and defends human dignity and national sovereignty. It is a genuine internationalist idea which requires friendship and cooperation among the peoples be strengthened for the common prosperity of mankind.

The Korean people could build a socialist country, independent in politics, self-supporting in the economy and self-reliant in national defence, and strengthen the bonds of friendship and cooperation with the peoples who champion independence as they have regarded the chuche idea as the guiding idea in the building of a new society and applied it in all domains of social life.

There is no doubt that when the people advance under the banner of independence and cooperation as required by the chuche idea a historical change will be brought about in building a free and prosperous new society, a new world.

Now the people's cause of justice is undergoing trials due to the moves of the old forces seeking domination and subjugation, but no force on earth can arrest the historical trend of the times toward independence, and the aspirations of the people who want to live independently would surely be realized.

Firmly believing that the seminar will greatly contribute to strengthening the independent development and mutual cooperation of the world people, we sincerely wish the seminar success in its work.

Youth Affairs Officials Hold National Seminar

*SK0902110094 Pyongyang KCNA in English 1033
GMT 9 Feb 94*

[Text] Pyongyang, February 9 (KCNA)—A national seminar of officials in charge of youth affairs was held in Pyongyang Tuesday on the occasion of the significant February fete.

Speakers at the seminar laid stress on defending and glorifying the immortal exploits performed by the dear leader Comrade Kim Chong-il in strengthening and developing the youth movement of chuche.

The immortal exploits of the dear leader in the solution of the youth problem are that he provided the guideline for resolving this problem by systematizing the idea and theory on the youth problem in an integral way on the basis of a revolutionary outlook on the leader and set an example in the solution of the youth problem with his great leadership, the speakers said, and stressed in unison:

It is the immortal exploits of our party in the solution of the youth problem that millions of youth have been firmly prepared as young guards who share the destiny with the party, reliable workers who staunchly fight for the victory of the socialist cause.

'Upswing' in Phosphate Fertilizer Production

*SK0802151794 Pyongyang KCNA in English 1506
GMT 8 Feb 94*

[Text] Pyongyang, February 8 (KCNA)—Phosphate fertilizer producers in Korea are effecting an upswing on

the threshold of the 30th anniversary of the publication of the rural theses (February 25).

According to data available, the output of phosphate fertilizer in the last ten days was up more than 20 percent from the like period of last month.

Notably, the Haeju smeltery nearly doubled output by operating all equipment at full capacity.

The Phungnyon and Yongyu mines which overfulfilled their January plans on January 25 are these days producing much more phosphorus concentrates than planned.

South Korea

Government To Review Signs of North Aggression

SK0902064794 Seoul CHOSON ILBO in Korean
9 Feb 94 p 2

[Text] The ROK Government plans to significantly beef up the checklist, which includes North Korea's military movement, to find signs of North Korean provocations as early as possible.

By so doing, the government intends to prepare for the possibility that the North Korean nuclear issue will be presented to the UN Security Council when the nuclear negotiations between North Korea and the International Atomic Energy Agency fail. The government has comprehensively analyzed North Korea's status of the accumulation of military materiel and other indications by using the intelligence capabilities of the ROK-U.S. Combined Forces Command.

A high-ranking government official said: "Even though major military facilities of North Korea have been reportedly built underground, the Combined Forces Command's intelligence capabilities can fully detect them." He also said: "Still, the government will further beef up this list and strengthen its intelligence capabilities against North Korea."

Foreign Minister Interviewed on Nuclear Issue

SK0902061394 Seoul TONG-A ILBO in Korean
9 Feb 94 p 3

[Interview with Foreign Minister Han Sung-chu by reporter Kim Cha-su on 8 February—place not given]

[Text] [Kim Cha-su] People in the United States generally believe that the strategy to resolve the North Korean nuclear issue through dialogue and negotiations has reached its limit.

[Han Sung-chu] The U.S. Government has not officially stated that the possibility of resolving the North Korean nuclear issue is remote. Only the mass media have expressed hardline views. The ROK and United States hold that they will continue their efforts to resolve the nuclear issue through dialogue and that if they fail in their efforts, they will examine the possibility of

imposing sanctions on North Korea through the UN Security Council and other means.

[Kim] How will you hold consultations with the United States?

[Han] The two countries will examine and analyze the development of the situation so far. They will also discuss the principle on resolving the nuclear issue through dialogue. Conditions permitting, they will discuss ways to foster cooperation with China, Japan, and other countries concerned.

[Kim] Is it possible that the North Korean nuclear issue will be presented to the UN Security Council? How will our government respond then?

[Han] It seems inevitable that it will be presented to the UN Security Council if no progress were made in the negotiations on nuclear inspections before the International Atomic Energy Agency [IAEA] Board of Governors meeting. However, even if the issue is presented to the UN Security Council, no decision on economic sanctions [kyongjejejae] or other measures will be made right away. The government will honor any decision by the UN Security Council and positively participate in its implementation.

[Kim] Do you predict how the international community will react if North Korea promises to accept nuclear inspections right before the IAEA Board of Governors meeting?

[Han] The problem at present is to confirm whether the continuity of nuclear safeguards is ensured. Deciding on whether the continuity of nuclear safeguards is ensured or not is the IAEA's own right, and I think the international community will honor the IAEA's decision on this matter.

[Kim] It is rumored that North Korean President Kim Il-song has failed to correctly perceive the reality concerning the nuclear issue.

[Han] There is such a rumor or analysis. However, I cannot correctly comment because I have had no direct dialogue with North Korean policymakers. However, if this were true, it is truly worrisome.

[Kim] At New York contacts, the United States promised to North Korea that it would discontinue the Team Spirit exercise and decide on the timing of the third round of North Korea-U.S. talks if North Korea accepts nuclear inspections. Is the promise still valid?

[Han] The agreement at the New York contacts will be valid until the IAEA declares the discontinuation of nuclear safeguards.

Team Spirit Seen Blocking Solution to DPRK Issue

SK0902063594 Seoul TONG-A ILBO in Korean
9 Feb 94 p 6

[Article by Kim Chung-kun from Beijing]

[Text] A notion has been put forth that the Team Spirit exercise, an annual ROK-U.S. military exercise, has been very effective in checking a North Korean provocation. However, on the other hand, it has brought about an adverse effect of triggering North Korea to excessively adhere to its nuclear development. In other words, this points out that the Team Spirit exercise is not always advantageous for the long-term security of the Korean peninsula.

Such a notion has been brought up not only by the Chinese authorities but also by ROK and U.S. officials stationed in Beijing. Even though the notion is a minority opinion, it points out the need to map out a new view on security to countermeasure the changing situation in Northeast Asia.

A U.S. official, who has closely watched the North Korean situation, said: "Ever since the nuclear issue has come to the fore, many discussions and analyses took place among U.S. defense and intelligence authorities over the background behind North Korea's adherence to the nuclear weapons and the actual capability of the North Korean nuclear arms," and added that "During the course of those discussions, some believed that the Team Spirit exercise, a ROK-U.S. joint exercise simulating actual warfare, is not always beneficial to the Korean peninsula's security."

He then continued saying: "After seeing the United States, a super power, staging a three dimensional exercise simulating actual warfare staged annually with its main land forces and materials, North Korea may have figured out that it must have nuclear weapons even it means sacrifice," and pointed out "The Kim Il-song group is afraid of the U.S. power since it experienced a serious defeat from the United States in the Korean war which it provoked."

A ROK official, who is well informed of the North Korean situation, said: "After the ROK normalized ties with China, it gave me a better chance to observe North Korea 'more closely' via China and, through my observations, I came to realize how much North Korea is afraid of the Team Spirit exercise," and added that "I think the newly established situation in Northeast Asia propels us to think about a regional security group that includes North Korea, or at least a type of security that does not provoke the other party so as to prevent it from coming out with a more fierce counteroffense."

The Chinese side has also expressed to the ROK through various channels that "As regards to the nuclear issue, the biggest stumbling block for China to persuade North Korea is a joint military demonstration, such as Team Spirit exercise."

Dailies on Crisis Situation Over Nuclear Issue

SK0902132494

[Editorial Report] The following is a compilation of editorials and articles published by Seoul vernacular

newspapers on 9 February on the crisis situation on the Korean peninsula concerning North Korea's nuclear issue.

The conservative Seoul CHOSON ILBO in Korean publishes on page 3 a 1,000-word editorial entitled "Is the Government Making Proper Preparations To Cope With the Crisis Situation?" and notes the security-related ministers' meeting held in Chongwadae, presidential office, on 8 February to discuss North Korea's nuclear issue. The editorial summarizes the three main points of the meeting: One, if the United Nations impose sanctions against North Korea in the event no agreement is reached on nuclear inspections, our government will support the sanctions; two, our government will make constant efforts to hold dialogue with North Korea; and three, the current situation on the Korean peninsula is causing a degree of uneasiness among the people. The editorial notes: "What is clear at present is that there are more things we are not aware of than things we are aware of in connection with the security situation on the Korean peninsula. We are not aware of the degree of North Korea's nuclear weapon development and we do not know how it will use its nuclear card in the future." Noting the recent U.S. media reports about the tension on the Korean peninsula, the article stresses: "We should constantly review in a multilateral way our security situation and map out a policy to maintain security." The editorial notes the likelihood that because North Korea is aware of its limits in negotiations with the United States, it will participate in North-South dialogue. The editorial concludes that the government should take measures to prepare for the resumption of North-South dialogue.

The moderate HANGUK ILBO in Korean publishes on page 3 a 1,000-word editorial entitled "Security Meeting and People's Attention," and notes the people's desire that "North Korea's nuclear development should be prevented without fail. However, the issue of preventing North Korea from developing nuclear weapons should be resolved peacefully and any unfortunate situation should be avoided." The editorial quotes President Kim Yong-sam as saying at the security-related ministers' meeting: "North Korea's nuclear issue is facing a grave crisis because of dissension between North Korea and the International Atomic Energy Agency, IAEA, over inspection methods. Even though the situation on the Korean peninsula is not in a state of crisis situation at the moment, the cabinet should take multilateral measures against a sudden difficulty." Regarding Foreign Minister Han Sung-chu's visit to the United States, the editorial reports: "He should persuade the U.S. Administration to understand our will to resolve peacefully North Korea's nuclear issue. He should negotiate a method with the U.S. Administration to get North Korea to accept nuclear inspections." The editorial notes the importance of the government's efforts to resolve diplomatically North Korea's nuclear issue even after North Korea's nuclear issue is referred to the UN Security Council. The editorial notes the people feel uneasy about

the situation on the Korean peninsula because the government has remained silent about the spreading crisis situation on the Korean peninsula. The editorial concludes: "It is important to resolve peacefully North Korea's nuclear issue before it enters a grave stage and to implement a policy to cope with a worst case scenario. The government should not forget, however, that they should inform the people of the status of negotiations with the North, the trends in North Korea, and the situation on the Korean peninsula. By so doing, the government should seek the people's cooperation through consensus."

The moderate KYONGHYANG SINMUN in Korean publishes on page 3 a 1,000-word editorial entitled "The Government Should Make the People Feel Relieved" and notes recent foreign press reports that tensions have been heightened on the Korean peninsula. The editorial cites the security-related ministers' meeting held on 8 February as deciding: "The current situation on the Korean peninsula cannot be regarded as a crisis situation. Even though North Korea's defensive drills and strengthening of underground military facilities have been observed, there is no sign of an immediate military provocation." The editorial continues: "It is urgent that the government should dissipate the people's sense of uneasiness about our security situation on the Korean peninsula. The government should, above all, encourage the people to engage in their work without worrying about security because misunderstandings and rumors of a groundless crisis situation could result in considerable economic and social damage." The editorial urges the government to analyze closely North Korea's situation and inform the people of North Korea's trends. The editorial concludes: "It is necessary for the government to make efforts to strengthen the ROK-U.S. security cooperative system and to frequently inform the people and foreign enterprises of the government's policy toward the North. By so doing, the government will create an atmosphere for the people and foreign enterprises to work without uneasiness."

The left-leaning HANGYORE SINMUN in Korean publishes on page 3 a 1,200-word article by Pak Chong-mun noting "the emergence of the pessimistic opinion that North Korea's nuclear issue is rushing toward a catastrophe regardless of one or two relevant authorities' desire to control the nuclear issue." The article summarizes "objective circumstantial factors about North Korea's nuclear issue as follows: It is highly likely that North Korea will not accept IAEA full-scale inspections in the future. If North Korea does not give a positive answer about nuclear inspections by 21 February when the regular meeting of the IAEA Board of Governors is expected to be held, the IAEA plans to report North Korea's noncompliance with obligatory inspections [uimusachal] to the UN Security Council; and the ROK and the United States will no longer be able to seek negotiations with North Korea." The article notes the IAEA and the United Nations, the ROK, the United States, Japan, and China are put into a difficult position

because of objective circumstantial factors. After elaborating on the ROK-U.S. position on North Korea's nuclear issue, the article notes China's position: "China is facing a difficult position in that it can neither veto nor favor the U.S.-led resolution on sanctions against North Korea. To avoid the current circumstances, China seems to be making every effort to persuade North Korea." Regarding Foreign Minister Han Sung-chu's visit to the United States, the article reports that "considering the fact that Minister Han has left for the United States approximately one week ahead of schedule, there seems to be reasons other than the Foreign Ministry's explanation."

Kim Tae-chung Urges Package Deal for DPRK Issue

SK0802124894 Seoul YONHAP in English 1139 GMT 8 Feb 94

[Text] Seoul, Feb. 8 (YONHAP)—Kim Tae-chung, chairman of the Asia-Pacific Peace Foundation, on Tuesday suggested that the United States lay down a package proposal to North Korea to resolve the controversial North Korean nuclear issues.

While meeting with reporters at Kimpo Airport upon his return from a visit to three Nordic countries, Kim said he believes North Korea would accept it if the United States, in concert with China, persuades North Korea over a package deal.

Kim stressed that the nuclear question should be resolved at an early date before it is referred to the U.N. Security Council.

The former opposition leader also said that if a war recurs on the Korean peninsula, it would deal a tremendous damage to the 70 million Korean people.

Referring to the idea of taking Pyongyang in a war, which was recently voiced by a senior U.S. Administration official, Kim said, "We must cooperate with the United States in areas where we should, but the United States ought to be more prudent over matters like this."

Ministry Notes Increase in Inter-Korean Trade

SK0802082294 Seoul YONHAP in English 0745 GMT 8 Feb 94

[Text] Seoul, Feb. 8 (YONHAP)—South Korea's two-way trade with North Korea in January jumped 125.8 percent from a year earlier—the highest increase recorded since July 1992—to 10.24 million U.S. dollars, according to the Trade, Industry and Energy Ministry.

Exports increased 284.1 percent to 1.98 million dollars and imports rose 105.5 percent to 8.26 million dollars.

Exports of oil and chemical products amounted to 1.8 million dollars, or 90.8 percent of total exports, and imports included farm and forestry products, mineral

products and textile goods made from South Korean materials on a contract basis.

DPRK Requests Participation in ASEAN Forum

SK0902094794 Seoul KYONGHYANG SINMUN in Korean 9 Feb 94 p 2

[YONHAP from Tokyo]

[Text] In a report from Bangkok, Japan's SANKEI SHIMBUN reported on 8 February that North Korea, which has been denounced internationally for its alleged nuclear development, has persistently asked Thailand, the chairman state of ASEAN, to permit its participation in an ASEAN regional forum to be held in July in Bangkok.

The newspaper quoted a Western source in Thailand. The newspaper added: North Korean participation in the forum will not be possible due to fierce opposition from the United States and other countries. North Korea wants to participate in the forum because it is uneasy with the fact that it is excluded from the "Asian security framework."

North Plans To Build Kim Il-song Memorial Hall

SK0802082594 Seoul YONHAP in English 0753 GMT 8 Feb 94

[Text] Beijing, Feb. 8 (YONHAP)—North Korea is moving secretly to build a memorial hall for President Kim Il-song after his death modeled after the Mao Zedong Memorial Hall in China, a source close to Pyongyang said on Tuesday. The North Koreans are paying special attention to making a large waterproof glass coffin which will preserve Kim's body in the hall's mausoleum, he added. The glass coffin will be 10 meters long and 10 meters wide, and kept in an underground mausoleum 30 meters deep for permanent preservation of Kim's body, which will automatically rise to the ground for public displays.

To prevent the body from decaying, the coffin will be placed five to six meters from the walls of the mausoleum, the source said. In October last year, eight North Koreans secretly visited Beijing to meet five Chinese technicians who took part in making the glass coffin for the late Mao Zedong.

North Korea is using Chokwang Trading Co. in Macao, one of its foreign trade bases in Asia, to procure the materials needed in the mausoleum and glass coffin such as wood, special steel plates, copper pipes and marble, he said. Last October and in early February, Korea Taesong Trading Co., one of North Korea's leading trading houses in Pyongyang, contacted a building supplies firm in Hong Kong while opening a letter of credit for 300,000 U.S. dollars to purchase the materials, he added.

Negotiations with the Hong Kong firm are proceeding smoothly and if its initial shipment to the port of

Hungnam in North Korea is successful, there will be second and third shipments from the firm, he said.

'Crucial' Telecom Talks Set With U.S., PRC

SK0102030094 Seoul THE KOREA TIMES in English 1 Feb 94 p 3

[Text] South Korea will hold crucial bilateral meetings on telecommunications issues with China and the United States, the first since the conclusion of the Uruguay Round negotiations of the General Agreement on Tariffs and Trade (GATT).

On one hand, the meeting with China could broaden South Korea's participation in the modernization of its telecommunications network while that with the U.S. could signal the beginning of pressure for greater domestic market opening.

Communications Ministry officials said one of the critical aspects of the meetings is that they are both being held on foreign soil, tomorrow and Thursday and Thursday and Friday in Beijing and Washington respectively.

The officials said yesterday that the working level meeting with China will place primary emphasis on the trial operation of Korean-made TDX-10 (time division exchange-10) switching systems in China.

China's Ministry of Telecommunications and Posts has yet to approve the testing of the TDX systems in the modernization of their telecommunications network and the meeting is expected to iron out outstanding issues, the officials said.

The Chinese telecommunications market represents one of the most lucrative in the world and a number of Korean companies are already operating there in joint ventures to produce switching machines.

Led by No Hui-to, the ministry's director of telecommunications promotion, the meeting is mainly a follow up on last year's ministerial meetings in Beijing and Seoul and will also include talks on the agenda for the next high level meeting.

Among other issues to be put on the table in Beijing later this week are the scope and timing for joint research and conditions for engaging in joint investments, the officials explained.

In Washington, the primary concern will be on examining the two countries' conformance to the record of understanding (ROU) concluded in February 1992 which outlined the liberalization of the Korean market to American companies.

As a direct result of the stipulations of the ROU, AT&T qualified to bid in the government's open procurement bidding last August and took home over 17 percent of the switching systems to be installed this year.

The meeting, the fourth to be held since the conclusion of the ROU, will be represented by Yim Chong-sin, head of the ministry's telecommunications cooperation commission, and Peter Collins, deputy assistant U.S. trade representative.

The ministry officials said the basic purpose of the meeting is to evaluate the extent to which the two sides have been abiding by the contents of the ROU but could prove to be a forum for the U.S. to exert pressure for further and accelerated opening of the Korean market.

In the previous meeting in Seoul last October, the U.S. representatives expressed strong interest in the participation of U.S. companies in the lucrative second cellular telephone project, the license for which is due to be awarded sometime in the first half of this year.

Seoul, Beijing To Boost Scientific Cooperation

SK0802082994 Seoul YONHAP in English 0759 GMT
8 Feb 94

[Text] Seoul, Feb. 8 (YONHAP)—South Korea and China have agreed to boost science and technology cooperation by exchanging post-doctoral researchers.

The two sides signed a memorandum on a training program for science and technology post-doctorates at the first working meeting of the Sino-Korean Science and Technology Cooperation Committee on Feb. 4-5 in Beijing, a spokesman for the Korean delegation said Tuesday.

Under the agreement, 15 designated scientists and engineers from each side will be exchanged for one year of training to learn in areas where one side is more advanced than the other, the spokesman said.

Candidates at the Korea Science and Engineering Foundation are currently being screened: Once chosen, they will begin their studies in China from July this year.

The Chinese have already sent a list of 20 candidates, 15 of whom will start the fellowship program here in April.

The working committee also agreed to hold an exhibition on the advanced Chinese technologies displayed jointly by the city governments of Beijing, Shanghai and Tianjin at the KOEX (Korea Exhibition Center) in October.

Twenty researchers will be exchanged annually for four years from 1994 and joint research projects will be increased to 10 from the current two, the spokesman said.

A Korea-China Science and Technology Cooperation Center will be set up in Seoul sometime in the second half of the year.

* Assembly Speaker Views Relations With PRC

942C0068C Seoul TONG-A ILBO in Korean 15 Jan 94
p 5

[Article by National Speaker Yi Man-sop on his China trip]

[Excerpts] [passage omitted] China clearly perceives South Korea as a trust-worthy economic partner.

This belief is based on the judgment that when China's human and material resources and the ROK's capital and experience in economic development are combined, it will produce greater effects than any other tie-up.

This does not mean that China is looking at us only from the point of view of its economic interests. The historical and traditional friendship forged over thousands of years cannot be explained only in terms of "national interest" adhered to by the distant West. Deeply embedded in the Sino-Korea relationship are the special affinity and bonds forged unconsciously.

During my short 3-day stay in Beijing, I was able to meet with all the three top leaders who are building a "new China," namely, Jiang Zemin, Qiao Shi, and Li Peng. Deng Pufang, chairman of the Association of the Handicapped, came up to Beijing from Shanghai, where he was looking after the paramount leader Deng Xiaoping who was wintering there, to pay me a courtesy call at Diayutai. Zu Liang, chairman of the NPC Foreign Affairs Committee, accompanied me during my entire 6-night, 7-day China itinerary. All this hospitality exceeding the customary protocol should be understood in the context of the special friendship between the two countries based on the affinity mentioned above. [passage omitted]

I stressed to Jiang Zemin and other leaders that of the three elements of "arms, food, and trust" as referred to by Confucius, trust is most important, and that the two peoples should carry out exchanges open-mindedly trusting each other by "showing utter devotion to a friend" as the saying goes. [passage omitted]

China is more prepared than we are for economic cooperation between our two countries.

During the hour-long candidate dialogue, Chairman Jiang said he would take personal charge of economic cooperation, mentioning specific interests such as the automobile, electronic, and semiconductor sectors. Zao Qisheng, Shanghai deputy mayor, said that he personally explained the "Pudong New District" development plan to Korean businessmen when they visited Shanghai at his invitation.

We are now seeking internationalization and futuristic progress as our national goal. Through my recent visit I could confirm that China is our most important cooperative partner, given the present state of the North-South relationship.

During our visit to China, we, the National Assembly delegation, keenly realized that this is the time for our politicians and businessmen to pool their wisdom and resourcefulness for the sake of national development rather than wasting time and energy paying lip service to globalization and doing unproductive things.

In this sense it is of great significance that our National Assembly delegation, which included DP Secretary General Kim Tae-sik and other ruling and opposition party politicians, visited China at the outset of the new year which is dedicated to nationalization and opening. We firmly believe that our recent visit to China will add momentum to bringing about more brisk exchanges and a higher level of cooperation between our two countries.

The immense and friendly frontier called China is beckoning to us with open arms.

Russian Envoy Holds Service for War Victims

SK0802115594 Seoul YONHAP in English 1058 GMT
8 Feb 94

[Text] Inchon, Feb. 8 (YONHAP)—A belated memorial service for the Russian sailors fallen in the Russo-Japanese war in 1904 was observed on Tuesday in the sea off this harbor city of Inchon.

Ambassador Georgiy Kunadze and four other Russian Embassy officials sailed to the scene of the sinking of two Russian gun boats near Sowolmi-do Island aboard a maritime police patrol ship at 2 pm to observe the service.

The two Russian ships, 6,500-ton Variak and 1,200-ton Koryeth, were sunk in a battle with six Japanese warships on Feb. 9, 1904, one day after the outbreak of the Russo-Japanese war.

The Russian vessels were in the Inchon harbor at that time to protect the Russian legation in Seoul.

Sixty-four wounded sailors of the two ships were evacuated to nearby English, French and Italian vessels. But, the remainders went down with their vessels as they sank their ships rather than to surrender to the Japanese.

Earlier in the day, Ambassador Kunadze and his party called at the Inchon City Hall and discussed with Mayor Choe Ki-son ways to promote exchanges and cooperation between Inchon and Russian cities.

*** President Kim's Advisers, Style Described**

942C0068B Seoul TONG-A ILBO in Korean 12 Jan 94
p 4

[Article by Song Yong-on]

[Excerpts] People often say that President Kim is a "political pro of the 10th grade." They mean to say that he has an outstanding ability to make political maneuvers and breakthroughs that baffle the imagination. He changed direction by suddenly announcing during his

New Year's press conference the postponement of the DLP convention originally scheduled for May, and subsequently on 10 January hosting a luncheon in honor of the three former presidents.

Where did the president get his idea of bringing about a turnaround in the political situation? His intimates unanimously point out that it was his own well thought-out idea. If so, is he a person who won't listen to others? [passage omitted]

In the process of adapting a political decision or selecting personnel, President Kim widely utilizes public and private channels. What he uses most is telephone conversation. In fact, he avails himself of every opportunity to make phone calls to many people to hear their opinions on various matters. He meets some of them in person, although the frequency of such meetings has decreased since he moved into the Blue House.

Said an official concerned: "President Kim seems to feel that overdependence on information furnished by official agencies might cause information overload and that there is a limit to his ability to listen to the public through these channels. That is why he is in all ears to listen to opinions from all sources." [passage omitted]

The president often makes the calls himself so that even his secretaries are kept in the dark. Mostly he does so between the end of the 2100 TV newscast and bedtime. When he moved into the Blue House, he carried with him his personal telephone book that he had kept when he lived in Sangdo-tong. Listed here, titled "Telephone Reference," are the names and numbers of more than 800 persons, including those who are not well-known, such as his classmates, hometown friends, those he contacted during his days in the opposition, restaurant owners, etc. The list also includes many of opinion makers in the economic, judicial, and academic communities. [passage omitted]

Said an official: "President Kim has become acquainted with a surprisingly large number of people since he entered politics some 40 years ago. Valuing his ties with these people highly, he calls them up or meets them from time to time to hear their opinions on a wide range of issues." He calls just to say hello sometimes or to hear about the trend of public opinion.

When he discusses policy matters in the economic, judicial, and academic circles, he hears a lot. Prominent among those in the business community with whom Kim often consults are: Ku Pyong-hoe, chairman of Lucky-Goldstar; Kim Sang-ha, chairman of Samyang Co.; Kim Ung-se, president of Lotte World; Sin Kyok-ho, chairman of the Lotte Group, and Pak Yong-hak, chairman of the Taenong group. Lotte World President Kim is the father-in-law of President Kim's second son, Hyon Chol.

In the academic community Kim consults with: Professors Pae Chae-sik, Yi Kak-pom, Yi Myong-hyon, and Yi Su-song at Seoul University; Professor Pak Yong-sik

(former president) of Yonsei University; Professor Kim Kye-su of the University of Foreign Studies; Professor Mun Pyong-chip (former president) of Chungang University; and Professors Ha Tok-mo and So Chae-kin of Tongguk University.

Professor Pae was President Kim's classmate at Kyongnam High School. President Kim often calls members of "Samsuhoe," an alumni organization of Kyongnam High School. Reportedly, he met them once in a group. The membership of Samsuhoe is about 80, some of whom live in Pusan. In the judicial circles the president consults with: Attorneys Kim Yun-to, Kim Hong-su, and Mun In-ku.

The president also seeks opinions from many in the military. Last spring while discussing the 12 December [1979] incident, Kim said, "I recently met with Gen. Chong Sung-hwa."

A source close to President Kim said: "He got acquainted with many in the military because he himself served in the National Assembly Defense Committee for many years when he was an Assembly member. He seems to seek opinions from many military figures, regardless of whether they are in uniform or on the reserve list or in civvies."

There is one person whom we cannot omit when discussing Kim's private channels of communication. That is Hyon Chol, his second son. He is currently taking a doctorate course at Koryo University. It is said that he presents candid opinions to his father on a wide range of issues.

In the December government and party reshuffle, including the replacement of Blue House senior secretaries, some belonging to the Sangdo-tong inner circle were appointed. Some observers attribute this to Hyon Chol's influence.

Chon Pyong-min and Yi Chung-pom are said to be assisting Kim Hyon-chol. Shortly before the new Administration, Chon was tentatively chosen for Kim's senior secretary for policy affairs but was later struck from the list. Yi, on the other hand, formerly served as Blue House secretary for executive oversight, but resigned because of the controversy over the lawyer's retainer.

* Blue House General Secretary Profiled

942C0068A Seoul HANGUK ILBO in Korean
15 Jan 94 p 2

[Article by reporter Choe Kyu-sik]

[Excerpts] One of the few prominent politicians who have been continually in the limelight since the inauguration of the Kim Yong-sam administration is Blue House Secretary General Pak Kwan-yong. His emergence in the limelight is particularly conspicuous because he does not belong to the Sangdo-tong inner circle, the center of power. He consolidated his position during the

reshuffle of the ruling hierarchy late last year which reaffirmed President Kim's abiding trust in him. The reshuffle was aimed at strengthening President Kim's governing in person and placing people in the Sangdo-tong inner circle in key positions. [passage omitted]

It is said that it was none other Pak who advised Kim to set the strengthening of international competitiveness as the foremost goal of state administration in the new year and to use this goal as the cardinal criterion in selecting a new Cabinet. He was not directly involved in the reshuffle of the government and the party. Nevertheless, it is a common belief that he was virtually the only one whom President Kim consulted.

Early this year Pak completed the reorganization of the presidential secretariat to assist the president more effectively in his second year of office, although the reorganization fell short of his original intentions. The reorganization will now free him to concentrate more on his advisory role.

Unlike other veteran politicians in their fourth term in the National Assembly, Pak has his own views on a wide range of issues such as the unification issue and is reputed to be a very rational and resilient person. Yet "not exceeding the bounds" and knowing his place are the better known ingredients in his character.

According to Blue House sources, Pak bore himself with dignity in the past year despite his not belonging to the Sangdo-tong inner circles, and his deportment must have given President Kim a strong impression. In taking control of state affairs in the early stage of his term in office, President Kim may have found it necessary to choose as his Blue House secretary general a person from whom he should keep a certain "distance" rather than one of his retainer group whom he could address by his first name except in public.

Pak's modest personality and smooth human relations played a significant part in travelling the political road without a hitch. He is on intimate terms with Yi Won-chon, Blue House senior secretary for political affairs, who belongs to the Sangdo-tong inner circle. [passage omitted]

Pak also has a friendly relationship with Hong In-kil, Blue House senior secretary for general affairs, who belongs to the Sangdo-tong inner circle. The two have worked together in the Blue House in the past year. Of course, Hong is courteous to Pak, his college senior, and plays the role of a "protective shield" for him.

Clearly, Pak has become one of the handful of important "pillars" which President Kim can use. As Kim's perception of statecraft improves, he might need late this year or early next year a secretary general who is more of a manager than a political adviser, and it might become possible for him to appoint former Assemblyman So Sok-chae. Even in that event, it is generally speculated, Pak would be found "more useful" in some other capacity.

One of those who know Pak well said: "It is a lie to say that politicians have no ambition. As far as Secretary General Pak is concerned, quiet deportment has become a habit." It is said that Pak sometimes hesitates to tell things straight to the president or the intensity of his advice is somewhat weak. But Blue House officials said, "a true adviser's role is to act quietly to make an opening for solving an outstanding issue."

Information Minister Stresses Internationalization
SK0802075794 Seoul YONHAP in English 0526 GMT 8 Feb 94

[Text] Washington, Feb. 7 (YONHAP)—South Korean Information Minister O In-hwan says that the second phase of President Kim Yong-sam's reforms calls for a resolute drive to internationalize Korea. After the first reform phase, which was aimed at rationalizing and normalizing the political, social and economic sectors, O said South Korea must boost its competitive strength through internationalization.

Speaking at a meeting of heads of South Korean overseas information services in the United States, O said, "We have to awaken the potential capacity and possibility of every field and deploy all our energy so that we can mount a challenge on the world stage."

"Heightening the image of our country by letting the world know about the dynamic reforms of our civilian government and cultural tradition is the way to raise the status of the country and strengthen competitiveness," he said.

In order to achieve this goal, O said the government plans to build up a joint official and private promotion system, partly by channeling publicity functions that are scattered among various ministries.

The heads of the overseas information services heard reports on internationalization and the country's competitiveness, and exchanged views at the meeting.

Prior to coming to Washington, O presided over similar meetings in Tokyo and Paris. He is scheduled to return home via New York on Sunday.

Ministry To Raise Special Taxes on Gas, Oil
SK0802022094 Seoul THE KOREA TIMES in English 8 Feb 94 p 9

[Text] The government announced yesterday it will raise the special excise tax rates on gasoline, diesel oil and kerosene from 10-150 percent to 13-190 percent from February 15 in a move to generate revenue to finance the modernization of social infrastructure such as subways, roads and ports.

The tax rate for gasoline, diesel oil and kerosene will rise to 190 percent, 25 percent and 13 percent, respectively, from the current 150 percent, 20 percent and 10 percent,

the Ministry of Finance announced following a meeting of economic vice ministers yesterday.

The tax rate hike will offset a reduction in oil prices which was announced by the government, which will link domestic oil prices to international prices.

The Trade-Industry-Energy Ministry said last week that consumers can enjoy a reduction in oil prices by 4-5 percent from February 15.

International oil prices fell to 12.85 dollars per barrel in January this year from 15.81 dollars per barrel last year.

As international oil prices fall, the government estimates that its "transportation tax," which was introduced this year to finance the modernization and expansion of social overhead capital (SOC) projects, will be down by more than 600 billion won this year from the original target.

The government set the tax base at 15.81 dollars per barrel for a collection of 3.2 trillion won in transportation tax this year, out of which 2.6 trillion won will come from the tax on gasoline.

But as international oil prices fell, the tax base also fell. Thus, the MOF said the government decided to raise the tax rate on the three key oil prices. The end result is that drivers must buy gasoline at the current price of around 610 won per liter even after the government links the domestic oil retail price to international fluctuations from the middle of this month.

The government has been under fire for "arbitrarily" raising tax rates or implementing a new tax without full debate at the National Assembly or through public hearings.

Last month, it announced plans to collect 1.5 trillion won each year for the next 10 years to finance the rural sector, at the instruction of President Kim Yong-sam.

The government also suddenly announced yesterday that it will raise the special excise tax rates on major oil products.

Plans Unveiled for Aerospace Industry Development

SK0802014594 Seoul THE KOREA HERALD in English 8 Feb 94 p 8

[Text] The government will promote an envisioned medium-sized (50 to 100 seat) commuter aircraft development program through international cooperation rather than with Korean firms alone.

The Ministry of Trade, Industry and Energy (MOTIE) said yesterday such factors as the technological level of the domestic aerospace industry and access to the world market after development have led it to opt for international cooperation instead of a purely Korean effort. But when international cooperation is hard to come by, the

ministry said, Korean firms will have to work on their own after introducing foreign technology.

The ministry also said the prototype aircraft will be developed by a consortium comprising all three Korean aircraft assemblers—Samsung Aerospace Industries, Daewoo Heavy Industries and Korean Air. This decision goes against Samsung's insistence that the development program be carried out by one single prime contractor to ensure control of the whole program.

The consortium, however, will be led by one company. To select it, the ministry will soon form a committee, which will map out criteria for the leading firm and send request for proposals (RFP) to the three candidates.

The ministry's decision, following advice by the Korea Aerospace Research Institute (KARI), has put the three firms in fierce competition to gain designation as the leading company. The final selection is expected to be made in May this year.

The consortium, after being formed, will seek participation from advanced foreign companies into the Korean commuter development program.

The ministry will leave it to the consortium to decide on how large the envisaged aircraft should be. Originally, it planned to develop a 50-seat commuter craft, but Daewoo and KAL opposed the idea on the grounds that a 50-seat aircraft would not be profitable.

The government plans to complete the development program by 1998 at an estimated cost of 279 billion won (about \$344 million). Over half of the cost will be shouldered by the government.

The development program will be promoted in four divisions—overall management, aircraft development, design verification and certification. Except for the actual development work, other jobs will be handled by relevant professional research organizations, the ministry said.

The ministry intends to finalize its development plan in March after acquiring endorsement from the deliberation committee on aerospace industry development.

The medium-sized commuter development program is part of the government efforts to foster the domestic aerospace industry. By developing an exportable commuter, it intends to secure core aircraft design and testing technology, put the industry on a solid growth path and reduce deficits in the nation's aircraft manufacturers.

According to a report by KARI, the international medium-sized commuter industry, unlike the large aircraft (over 100 seats) industry, is not dominated by an oligopoly, implying that entry by Korea will not be difficult.

The institute forecast that the break-even point for Korea will be about 180 aircraft. The ministry expects

that by 2010, Korea will have a domestic demand of 170 medium-sized commuters. By then, it hopes, the domestic aerospace industry will also be able to export 50 to 100 commuter aircraft.

Insurance Executives Arrested on Graft Charges

SK0802115694 Seoul YONHAP in English 1055 GMT 8 Feb 94

[Text] Seoul, Feb. 8 (YONHAP)—The Seoul prosecution on Tuesday placed under arrest two executives of Korea Automobile Fire and Marine Insurance Co. on perjury and graft charges.

The two were Yi Chang-sik and Pak Chang-kwang.

The prosecution charged that the two, acting on instructions from their company president, tried to bribe Rep. Kim Mal-yong of the Democratic Party with money. However, they falsely testified at an Assembly Labor Committee session on last Jan. 27 that they did not seek to hand an envelop containing money to Rep. Kim, the prosecution said.

Meanwhile, the Seoul area Labor Administration Office announced Tuesday it had decided to take legal actions against Pak Chang-kwang and 13 other officials and employees of Korea Automobile Fire and Marine Insurance Co. on charges of engaging in undue labor activities.

An investigation based on a complaint filed by the labor union of the insurance firm indicated that the 14 people had tried to control and interfere in labor activities of the firm's union, the labor office said.

By law a person found guilty of undue labor activities is to be sentenced to a prison term not exceeding one year or to a fine of 15 million won.

DLP 'Disturbed' by Talk of Replacing Politicians

SK0902013894 Seoul THE KOREA HERALD in English 9 Feb 94 p 2

[By staff reporter Sin Yong-pae]

[Text] The ruling Democratic Liberal Party (DLP) has been disturbed by talk ahead of the parliamentary election in 1996 about a possible large-scale replacement of old-guard politicians with young newcomers. Particularly, older politicians within the DLP, who garnished political favors from previous governments, fear that they may be excluded from party nominations of candidates for the National Assembly.

The possibility of wholesale replacements was raised at the end of last month when DLP Secretary-General Mun Chong-su indicated that the party will push for a generational change in the party line-up on a gradual basis. In a report on party policies for 1994 to President Kim Yong-sam, Mun said he will try to keep the party from aging by recruiting more young people. He also pointed out that the number of DLP lawmakers in their 50s or

60s will make up nearly 90 percent of the party in 1996. As a matter of fact, the need for personnel changes within the DLP has been discussed continuously in hushed tones among reform-minded party lawmakers since the inauguration of the Kim government on a mandate of change and reform early last year. They are said to have been displeased with the failure by their party to show teamwork in carrying out in-house reform measures because of intraparty factional divisions.

The DLP, a product of a three-party merger in 1990, consists of three factions with different political ideologies and backgrounds. Mun's suggestion for a generational change was in line with President Kim's recent call for a transfusion of "young blood" into the DLP through the nomination of reformist candidates for the general elections. Kim, who is also the party president, said old-fashioned politicians who have failed to adapt themselves to the new times will gradually disappear from the political community.

As the DLP leaders have raised the nomination issue earlier than expected, speculation has persisted that more than 50 percent of the current DLP lawmakers will be dropped in the selection of party candidates for the Assembly elections. Party insiders predict that the expected rejectees will be those who are old and lack reform zeal, and who have been targets of public criticism for their accumulation of wealth in an illegal or immoral way. But the controversial DLP move to infuse "young blood" into the party has drawn a reaction from old politicians within the DLP, mainly from the party's two conservative factions.

Displeasure with the move to replace old politicians with young newcomers erupted during a meeting of party advisers, who are senior politicians, early this month. They argued that it is wrong to allege that old politicians should retire only because they are old.

DLP Chairman Kim Chong-pil, a symbol of the old-fashioned politician, was not enthusiastic about the prospect of personnel changes. He said he is willing to push for a generational change but noted it is desirable that the experience of the old and the vigor of the young are harmonized in politics.

The dispute surrounding replacement of old politicians with young newcomers has already intensified conflicts between factions within the DLP. The two conservative groups have been uneasy over the possibility of personnel changes. They said the move was engineered by their rival reform-minded faction made up of relatively young politicians in order to grab party hegemony. But the reformists, loyal to President Kim, stressed the need for a large-scale replacement of old politicians with young reformists, saying that party candidates for the general elections should be fresh figures befitting the new era of reform.

Power Struggle Within Opposition DP Examined

SK0902014794 Seoul THE KOREA HERALD in English 9 Feb 94 p 2

[Text] Some political analysts recently made a shocking prediction that the main opposition Democratic Party (DP) would suffer from serious in-house factional conflicts in the not too distant future. They based their pessimistic view on the complexity of an emerging power struggle within the DP.

Party Chairman Yi Ki-taek does not appear to be firm in his leadership these days. In addition, the DP appears to be split, apparent even to outsiders.

The struggle for the party leadership was triggered by Yi's announcement early last month that he will run in the 1997 presidential election. Yi's declaration immediately brought a bellicose response from his political rivals who think Yi is not a man of real presidential timber. "The public approval rate for the DP has stood at just 18 percent," said a DP lawmaker. "Unless the party makes a drastic change in its leadership, the transfer of power to the DP will be impossible," he said.

Yi currently chairs the party's top decision-making body, the Supreme Council, that consists of nine senior lawmakers. But his leadership is described as shaky. He obtained slightly more than 50 percent of the vote in March last year when he was elected party chairman. Furthermore, just 31 of the DP's 97 lawmakers belong to the faction led by Yi. Another group of 43 lawmakers, which had been led by former DP leader Kim Tae-chung, is considered friendly to Yi but has not clearly come out in support of him. And as many as 55 lawmakers, including those who have dual factional membership, are members of the anti-mainstream group led by Reps. Kim Sang-hyon, Chong Tae-chol, Kim Won-ki, and Yi Pu-yong.

Chairman Yi has acted like a presidential candidate since his formal announcement that he will run for the presidency last month, exposing himself to criticism. Experts interpreted Yi's plan to meet with North Korean President Kim Il-song in Pyongyang as part of his efforts to realize his presidential ambitions. Almost all his public activities seem to be aimed at boosting his political and popular image. Yi has expanded his private political organization, called the Unification Research Center, by establishing local chapters across the nation. He met with prominent business and religious leaders, including Cardinal Stephen Kim So-hwan, environmental scholars and people from almost all sectors of society. The DP leader also visited market places, farming villages, police stations and homes for the underprivileged in a bid to take a first-hand look at the lives of ordinary people.

Meanwhile, Yi's extraordinarily visible behavior has begun to stimulate his opponents and rivals to work out countermeasures. A group of 20 reform-minded DP lawmakers held an emergency meeting Jan. 28-29 and

called for a change in the party leadership. Saying that Chairman Yi is too weak for the DP's presidential bid, they demanded that the party's national convention be held ahead of schedule during this year. The national convention, in which the party chairman will be elected, is scheduled for May next year.

Rep. Yi Pu-yong said at the meeting that he will run for the party chairmanship, if 80 percent of his group members support his candidacy. Reps. Kim Sang-hyon and Chong Tae-chol, who were defeated by Chairman Yi in the party leadership race last year, came out firmly in support of the reform-minded lawmakers' demand. Kim and Chong also made their own efforts to widen their political influence in the opposition camp.

Kim recently visited Japan and the Philippines along with his supporters and has made many contacts with other factional leaders in order to form a united front against Chairman Yi. In May, Kim and Chong plan to visit China, where they will meet with political leaders in Beijing and hold seminars.

"The DP needs a new face. The incumbent chairman is clearly unqualified to compete in the presidential race," said a lawmaker who belongs to the Kim Sang-hyon faction. Yi's camp reacted to the views of his opponents by insisting that it is impossible to find a clear alternative to Yi's chairmanship.

Though there is obviously some tendency to break away from the influence of Kim Tae-chung in the DP, both mainstream and anti-mainstream factions are striving to secure Kim's support in the race for the party leadership. Since his inauguration as party chairman last year, Yi has made desperate efforts to fill the political vacuum left by Kim's retirement from politics in December 1992. Yi has sought closer ties with the 43-member DP faction formerly led by Kim. The chairman has also made efforts to merge with splinter opposition parties to broaden his political base. Yi's political status has somewhat improved thanks to his efforts so far but he has yet to overcome the widespread skepticism over his ability as party leader as well as his calibre as a presidential candidate.

*** Kim Tae-chung, Yi Ki-Taek 'Alliance' Examined**
942C0051A Seoul CHUGAN CHOSON in Korean
2 Dec 93 pp 28-29

[By reporter Hong Chun-ho: "Is the KTC-YKT 'Alliance' Working All Right?—a Subtle Shifting of Current in the DP Power Dynamics"]

[Excerpts] The Democratic Party [DP] has been operating by an alliance between former Chairman Kim Tae-chung [KTC] and present Chairman Yi Ki-taek [YKT]. More specifically, the YKT leadership came into being thanks to the tacit support of KTC who had just retired from first-line politics. And even today it is difficult to explain its existence minus that factor.

Needless to say, KTC is a retiree from politics. He himself reaffirmed it publicly on many occasions. But the fact is that even though he retired from active politics, it does not mean that his influence has also been "retired." This fact was verified more than once. KTC remains a member of the DP and, more importantly, all his men are in good shape in the DP. [passage omitted]

According to the party Constitution, the next DP national convention is to be held in May 1995; however, in the event of a national election, it can be moved up by a maximum of 6 months or delayed by up to 3 months. Therefore, the next DP convention is, basically, far more than a year away, but Chairman Yi recently referred to the possibility of moving it up within the range indicated in the party Constitution. He thus hinted at his so-called intent for an early convention, creating a subtle stir in the party; until then, he had been negative about moving up the convention date. Now, since he himself raised the issue, there must have been a reason for it. Conversely, his action proves that an anti-Yi offensive within the party is approaching to a critical level. In fact, the nonmainstreamers have been demanding, intermittently though, the holding of an extraordinary party convention sometime in the first half of 1994.

Chairman Yi seems to be feeling the same pressure in the course of his management of the DP's National Assembly policy during the regular Assembly session, too. While the "nine men, nine different minds" criticism against the party leadership continues unabated, he could so far lead the party rather smoothly by effectively managing the balance of power among the members of the party Supreme Committee. However, as soon as he moved to show his own color in his National Assembly speech and in his parliamentary strategy as the opposition leader, the nonmainstreamers strongly reacted against it. Even among the Supreme Committee members, fewer came forward backing him up. No Mu-hyon and Yi Pu-yong of the Democratic faction [from the former DP before its merger with the UPP] turned their backs on him. No Mu-hyon, while holding on to his basic line since the last party convention in March, is nevertheless intensifying his criticism of Chairman continuously. What makes the chairman worry even more is that Yi Pu-yong, who had been relatively cooperative, reversed his attitude, turning critical of the chairman. Since No and Yi Pu-yong are also members of the Reform group, these things have spawned speculations that Chairman Yi has not only lost his grip of the Democratic faction but is perhaps shunned by the Reform group, too. Only two Supreme Committee members, Kwon No-kap and Han Kwang-ok, remain loyal to the chairman, while the Tonggyodong faction reportedly sees something missing in Chairman Yi, at times feeling dissatisfied.

Meanwhile, the Tonggyodong faction has been constantly on the move since it unified its genealogy in the name of [KTC's] Naeoe Munje Yonguso [Institute of Internal and External Affairs]. Recently, it reorganized Yonchong, a private organization of KTC. Chairman Yi

also has launched a membership drive for his private organization, Tongil Sanha Hoe [Society for Reunited Mountains and Rivers]. But he finds himself under mounting intraparty pressure. In short, the Reform group does not approve of "dual citizenship" of members, putting pressure on the chairman and his force.

Chairman Yi's camp is aware of all this subtle shifting. So much so that some insiders say that they might be oversensitive. At any rate, YKT and his force are known to be working on strategies to ensure that their leadership continues after the National Assembly regular session and further to defend its power base at the next party convention while keeping a close eye on its own faction that is turning rebellious, on the increasingly visible resistance of the progressive forces within the party, and on the growing signs of disharmony with the Tonggyodong faction, the main force in the DP.

In this atmosphere, Chairman Yi is said to have tried to contact KTC recently. In fact, this does not pay for either side. For KTC, it could harm the image of his retirement from politics. Chairman Yi could also be hurt because it would further enhance his image as a weak leader unable to run the party independently. But the immediate reality is that something has to be done to change the flow of things in the combined forces of a DP apparently plagued by internal disharmony. Chairman Yi's side in particular seems to be feeling the need more keenly. Therefore, reports say, he tried to contact the Tonggyodong camp while discreetly keeping a distance.

Acting as mediators between the two camps are Kwon No-kap and Han Kwang-ok, both members of the Supreme Committee, plus Rep. Mun Hui-sang, Chairman Yi's chief secretary, and Pak Chi-won, DP spokesman. Mun was the first chairman of Yonchong. He also had served as its sixth chairman until Kim Ok-tu took over recently. He is one of the key figures among KTC's direct disciples and he is always present at their gatherings. Despite his position as Yi's chief secretary, he would say unhesitatingly that "my 'home base' is Tonggyodong." Pak also has his roots in Tonggyodong

and was part of the KTC campaign in the last presidential election. The two are the key workers playing the role of a bridge between the YKT and KTC forces to prevent a split and ensure cooperation.

They are said to be playing the part of letting Chairman Yi's side know—through a variety of routes—what KTC thinks about Yi's National Assembly strategy and political course in general, or vice versa. They contend that there is no gap between Chairman Yi and KTC. They explain that there has been no change in their basic relationship—even amid the subtle undercurrent of a power game within the party. They assert that KTC has had no objections to Chairman Yi's political line, to the substance of his National Assembly speech delivered in October as a product of that new line, and to his press conference in late September in which Yi stated that he would give the economy priority over the issue of liquidating the past—namely, to all those things that fed the feud within the party. Needless to say, it was Mun Hui-sang himself who led the writing of that speech. Moreover, Pae Ki-son, former assistant chief secretary for KTC, also took an active part. Pae has also been working as an aide for Chairman Yi for some time. Another source familiar with developments on both sides asserts that "there is nothing going on that could fundamentally reverse the internal balance of power within the mainstream." He insists that the only problem is the dissatisfaction among mainstreamers with the performance of Chairman Yi, who they think lacks in leadership for an effective struggle against the ruling camp. And it is a problem that can be resolved, he adds.

The nonmainstreamers have a different view. While agreeing that the KTC-YKT alliance will not be easily shaken, they do not think that YKT will remain the alternative for the mainstreamers for too long. At the same time, the mainstreamers themselves have the realistic need to try and shake the mainstreamers from inside to make sure that he will not. Their concerns are, in fact, no longer over the KTC-YKT alliance but are focused on the moves of the Tonggyodong faction.

Indonesia

Military Chief: Volunteers Allowed for Bosnia

BK0902115094 Jakarta ANTARA in English 0738 GMT 9 Feb 94

[Text] Jakarta, Feb. 9 (ANTARA)—Commander of the Indonesian Armed Forces (ABRI) Gen. Feisal Tanjung said here Wednesday that it would be okay for Indonesian volunteers to go to Bosnia-Herzegovina and assist the struggle of its people. "Yes, I would say that it's okay," he said when asked by newsmen on whether or not Indonesian volunteers could go to the war-torn country.

Two Islamic organizations, the Indonesian Islamic Boarding House Cooperation Agency (BKSPPI) and the Indonesian Committee for the World Islamic Solidarity (KISDI) have stated that they will draw up the list of volunteers to go to Bosnia-Herzegovina. Indonesian people has also extended assistance to the Bosnians in the form of financial aid raised by the National Committee for the solidarity of the Bosnian Muslims headed by business tycoon Probosutejo. The financial aid reportedly totalled hundreds of million rupiah.

The government has also sent 24 military officers as observers under the UN banner. In the near future, a military health team will also be sent to the former Yugoslav state.

China Policy Not Affected by Taiwanese Visit

BK0902061694 Jakarta ANTARA in English 0429 GMT 9 Feb 94

[Text] Jakarta, Feb 9 (OANA-ANTARA)—The visit by Taiwan President Li Teng-hui to Indonesia will in no way change Indonesia's line of one china policy, said Foreign Ministers Ali Alatas. "President Li Teng-hui's visit will not change a bit of our policy of one China. We retain the line," he said here on Tuesday.

He was commenting on the protests forwarded by Beijing and circles concerned here on a planned meeting between Taiwan President Li Teng-hui and President Suharto in Bali later this week. The circles expressed their concern that such a meeting could destabilize the relations between Indonesia and China.

"Li Teng-hui's visit to Bali is only an informal one. He is on vacation in Bali. There is nothing deviated from Indonesia's stance on having only trade relations with Taiwan," he said.

He noted that there is no need for the public to worry that Indonesia will change its one China policy. "Foreign Ministry has given necessary explanation to Chinese ambassador here and our staffs in Beijing did so to the Chinese Government. There is no need to exaggerate such a meeting as both leaders will meet in their own personal

capacity. Li's meeting with Minister of Research and Technology B.J. Habibie is also a kind of two scientists' meeting," he said.

Asked about the possibility of Taiwan's presence in APEC leaders' informal meeting here next November, Alatas said that the procedure of organizing the summit meeting of APEC leaders will be the same as that of in Seattle, the United States, last November. "Jakarta's meeting next November will be the same as that of one in Seattle. It'll be still a informal one. Hong Kong and Taiwan will be represented by their ministers, he said.

Army Chief on Bali, East Timor Security Needs

BK0902130494 Jakarta ANTARA in English 1007 GMT 9 Feb 94

[Text] Denpasar, Bali, Feb. 9 (ANEX-ANTARA)—Chief of the Indonesian Army Gen. Wismoyo Arismunandar said here Tuesday that Bali and East Timor because of their "uniqueness" need a special attention regarding the aspect of security.

"Bali, as a major tourist attraction is an international gate to Indonesia, while East Timor as the country's youngest province still has a lot to catch up with the progress of other provinces," he said in an address to mark the transfer of post of the chief of Udayana Military Command.

The post of the commander of the Udayana Military Command (supervising Bali, East Timor, and Lesser Sunda Islands) was handed over from Maj. Gen Theo Syafei to Maj. Gen R. Adang Rukhiatna Puradireja.

Wismoyo further said that the Udayana Military Command has a heavy task because aside from supervising Bali and East Timor and all their uniqueness, it must also look after Lesser Sunda Islands which are prone to natural disasters.

"This obviously calls for a high spirit of dedication among the Udayana Military Command members," he said adding that the command's main task is maintaining security and stability so that development activities can take place smoothly.

About development programs, Wismoyo, however, also said that they must be conducted in such a way that not only economic growth is achieved, but also even distribution of welfare.

Philippines

Rightist Rebels Back Oil Price Hike Protests

BK0902060294 Manila PHILIPPINE DAILY INQUIRER in English 4 Feb 94 pp 1, 10

[By Raymond Burgos]

[Excerpts] The Nationalist Revolutionary Alliance [RAM], the rightist military rebel group that mounted

several coup attempts against the previous administration, yesterday threw its support behind the groundswell of protest against increases in oil prices, power rates and transport fares. It also gave tacit approval to the bombings of the offices of three oil companies by the leftist Alex Boncayao Brigade [ABB].

"We believe it is the right of the people to protest in the loudest possible manner, and RAM will be a participant in the planned protest actions," Captain Danilo Lim, RAM spokesperson, said in a televised interview. Church, labor, consumer and even business groups have also joined the clamor for a rollback in fuel prices.

Lim described the attacks on the oil company offices as "the only language which the government understands. Such bombings are being conducted since only through such acts can the people capture the attention of the government," he said.

In a separate interview on radio, Gregorio "Gringo" Honasan, who led several of the coup attempts, urged the government to heed the public outcry or face worsening violence. At the same time, however, he appealed for sobriety and for earnest dialogues. "We need a sober approach. We are on the side of the protesters because the impact is serious, but let us focus (our efforts)," he said. "The choices are we either fight each other again or sit down and talk about how we can help one another." Another rightwing rebel, Proceso Maligalig, who is involved in peace talks with the government, said: "We should be dispassionate about this. We should be rational about it. This could be the start of a serious problem."

In the provinces:

- The multisectoral People's Initiative to Denounce and Reject Oil (Price Increases), or PIDRO, called off a rally scheduled in Davao City on Sunday, the day Malaysian Prime Minister Mahathir bin Mohamed visits Davao.
- Students and non-government organizations plan a big protest rally today in Baguio. A bigger rally is set for 9 February to coincide with the general strikes planned in Metro Manila, Davao and Cagayan de Oro cities.
- A similar mass action is scheduled today in Iloilo City, regional center of Western Visayas.
- Three radio stations in Cebu City whose commentators have reportedly been urging people to join a civil disobedience movement are under fire from the National Telecommunications Commission [NTC].

The National Bureau of Investigation, meanwhile, released a sketch of one of four men believed to have lobbed sticks of dynamite at Petron and Shell buildings in Makati last Tuesday. On that day, too, a bomb was hurled at the Caltex office in Manila.

President Ramos reiterated an appeal for sobriety and solidarity "so as not to jeopardize our efforts for national recovery. Panic and extremist actions can only result in

higher inflation, fewer jobs, reduced investment, trade and tourism, and delayed growth," Mr. Ramos said at the opening of the two-day conference of the Federation of Industrial Security Organization of the Philippines. [passage omitted]

"It is not the people who should bear the brunt of the government's excessive spending and blind obedience to the dictation of powerful forces outside the government," Lim said. Echoing a common sentiment aired by other protest groups, he said the Ramos administration could look for other ways to raise revenues than increase the price of gasoline and other petroleum products.

In Camp Crame, top police officials and security officers of government and private installations agreed in a meeting to adopt "airtight defenses to thwart further sabotage around their facilities." Police officials said these measures would include security in and around power, oil, water and communications facilities. "We are not taking any chances despite the pronouncement of the ABB to hold off further attacks in Metro Manila," said Director Pedro Sistoza, deputy chief for administration of the Philippine National Police.

Present at the meeting were security chiefs of Caltex Philippines Inc., Pilipinas [Philippines] Shell, Petron, Meralco [Manila Electric Company], Philippine Long Distance Telephone Co., Metropolitan Waterworks and Sewerage System, National Power Corp. and the Energy Regulatory Board. [passage omitted]

The National Telecommunications Commission will investigate radio stations DYLA, DYRB and DYFX in Cebu for their commentators' advocacy of civil disobedience as a form of protest. Danilo Sy, NTC regional director, said he would ask officials of the three stations to explain why their commentators were allowed to make statements that could cause public unrest. DYLA is owned by the Associated Labor Union-Trade Union Congress of the Philippines (ALU-TUCP). DYRB belongs to defeated presidential candidate Eduardo Cojuangco, and DYFX has the Iglesia ni Cristo [Church of Christ] as its major stockholder.

Rally organizers in Davao City put off their mass action in response to an appeal from Mayor Rodrigo Duterte to hold their rally any day except on the day of Mahathir's visit. The organizers also had a dialogue with Duterte's chief of staff, Leoncio Evasco. Duterte later promised to provide government vehicles to transport protesters from the countryside to the city center. "I would like to extend my gratitude to whoever were planning to stage a mass action for their understanding," he said. Duterte said he would not join a rally set for Monday by the militant People Against Oil Price Increase because "the greater interest of the people requires that I support President Ramos. My duty is to assure that the government remains stable," he said.

NDF Seeks Government Meeting Before Talks*BK0902080294 Manila THE MANILA CHRONICLE
in English 4 Feb 94 p 2*

[By Frank Longid Jr.]

[Text] The National Democratic Front [NDF] wants to resume exploratory talks with government provided a preliminary meeting is held on issues the NDF wants to resolve before accepting the invitation to meet with government representatives in Vietnam.

The NDF also insisted on the presence of exiled Communist Party of the Philippines [CPP] founder Jose Ma. Sison during talks with government. Although Fr. Luis Jalandoni is the NDF's official representative, Sison—who is believed to be the current CPP chairman under the nom de guerre Armando Liwanag—is recognized as a “consultant” of Jalandoni on the peace process.

In a 22 January letter addressed to Ambassador Howard Dee, chairman of the government panel dealing with the communist rebels, Jalandoni stressed the need to “adequately resolve certain matters of principle and procedure. The NDF is willing to resume exploratory talks,” Jalandoni wrote. However, he said government must first “adhere to the Hague Declaration” and remove the obstacles to the peace process.

Members of the panel and its working groups confirmed the contents of the document but refused to discuss it further, as well as the courses of action the panel is considering. Dee in 27 December accepted the NDF's invitation for a preliminary meeting in Europe before holding further exploratory talks in Vietnam. But he said the NDF must drop “their preconditions to the exploratory talks.”

In response, Jalandoni wrote “contrary to your allegations that the NDF is making a precondition of EO [Executive Order] 125, it is Mr. Ramos who has thrown a monkey wrench into the peace process by issuing EO 125.” He added “any delay in the NDF-GRP [Government of the Republic of the Philippines] talks is ascribable to the Ramos regime's refusal to adhere to the letter and spirit of the Hague Declaration, and setting up obstacles to the peace process.”

Jalandoni said the executive order is “a violation of the Hague Declaration because it delimits the NDF-GRP talks to what already appears in the existing GRP constitution.” But Dee had said that EO 125 cannot be rescinded because the order “in effect creates the office of the peace process and also the three panels (dealing with the country's rebel groups).”

In addition, a source in the panel explained that the EO “does not necessarily delimit the talks...it is an internal document and the NDF is not covered by it.”

Jalandoni also denounced what he called “the Ramos regime's continuing total war policy.” But the source

said the protest was “uncalled for,” claiming the fire-fights between government troops and communist guerrillas have been declining steadily. “Isa pa,” [One more thing] he added, “aren't they the ones who had earlier stated that we should conduct talks first before declaring a cease-fire, that any cessation of hostilities should come after the talks and not before?”

Jalandoni also claimed government “has been coddling (NDF) renegades and expellees from the revolutionary movement.” He said this, along with “statements threatening to withdraw from talks with the NDF and to hold peace talks with the renegades and expellees,” were all part of government's “psy-war” efforts.

Muslim Rebel Clash Continues in Maguindanao*BK0902041594 Manila THE MANILA CHRONICLE
in English 4 Feb 94 p 2*

[Text] Cotabato City—Fighting between the military and guerrillas of the major Muslim rebel groups is still raging in the mountainous town of Barira, Maguindanao. An officer of the 6th Infantry Division based in the town of Dinaig said the hostilities began 27 January when a combined force of about 600 Moro Islamic Liberation Front (MILF) and Moro National Liberation Front (MNLF) fighters attacked three security checkpoints of the Consunji logging company. The logging company has been operating in the area for many years.

Two security guards died during the attack on the checkpoints located a few kilometers from MILF's Camp Abubakar Sedik. Al Haj Murad, MILF vice chairman for operations and concurrent chief-of-staff of the Bangsamoro Islamic Army, denied the military's allegations. Murad said the fighting started when combined forces of the logging company's security guards and the military encroached on and penetrated the defense perimeter area of their camp.

Murad said there has been a standing formal agreement between the MILF and the government for a cease-fire. The agreement, respected until the incident of 27 January, was entered into in 1984.

The clashes also constitute a gross violation of the ongoing government-MNLF cease-fire agreement, Murad said. The MILF, he added, had always supported the peace negotiations between the government and the MNLF and the cease-fire agreement forged earlier this month. The MILF, he said, has not been formally included in the ongoing peace talks but had pledged support to it. He hoped the clashes will not escalate into major hostilities.

He called on all concerned to find ways to stop this even as he ordered MILF fighters and supporters in Mindanao to be on a more “active” defense posture.

NEDA Officials Discuss 1993 Economic Results

*BK0902103294 Manila THE MANILA CHRONICLE
in English 3 Feb 94 p 9*

[By Grace Q. Bangaoil]

[Excerpts] The Philippine economy grew by 2.3 percent in 1993 but fell short of the 2.5 percent downscaled target by the National Economic Development Authority (NEDA). In a press conference yesterday, NEDA officials led by Economic Planning Secretary Cielito F. Habito said the gross national product (GNP) growth rate last year made them stick to the 4.5 percent in 1994.

They pointed out that the GNP growth in 1993 reflected a "definite" improvement from the 1 percent real growth in 1992. "The 4.5 percent for 1994 under the Medium-Term Philippine Development Plan is achievable," Habito assured in a separate interview. The growth, according to the NEDA officials, was primarily led by the private sector. Consumer purchases, investment and exports all posted improvement.

The domestic economy likewise improved in 1993. Gross domestic product (GDP) grew by 1.7 percent from 0.1 percent in 1992. NEDA said this shows that the local economy has gathered steam. [passage omitted]

NEDA cited the improvement in power supply as a "big factor" in the economic growth last year. Although the year started with a "debilitating" power crisis which kept the economy from growing in the first six months, the fast-tracked power projects came on stream to improve the power situation in the last two quarters, the officials said.

Net inflow from abroad amounted to P [Philippine pesos] 21.8 billion, showing a 27.5 percent improvement compared to that in 1992. In real peso terms, however, imports grew by 13.7 percent outstripping total exports which increased by 9 percent according to NEDA director Ofelia Templo.

Templo said the disparity may be corrected this year when export growth in real peso term is expected to reach 11.2 percent and import growth to slow down to 12 percent.

All production sectors showed better performance in 1993. The agriculture sector initially provided the push in the first two quarters. When power supply improved in the third and fourth quarter, the industry sector played a more dominant role.

Among the production sectors, the services sector recorded the highest growth of 2 percent compared to 1 percent in 1992. The services subsectors—except for the government services—improved, communications went up by 6.5 percent, private services by 2.9 percent and trade by 2.4 percent.

The output of the combined agriculture, fishery and forestry sector went up by 1.5 percent, showing a turn around from the 0.1 percent decrease in 1992. Growth came from palay [unhusked rice] which went up by 7.9 percent, livestock at 4.7 percent, poultry by 6 percent, and corn which grew by 1.8 percent.

Among the industry subsectors, construction growth showed the highest at 4.5 percent. According to the NEDA officials, this was mainly due to higher public construction growth as well as the turn around in private sector construction activities. [passage omitted]

Growth on the demand side was marked by a strong export performance. In real terms, merchandise exports expanded by 13 percent led by semi-conductors and electronic microcircuits. [passage omitted]

Investments in fixed capital grew by 8.6 percent which is slightly lower than the 9.2 percent in 1992, though marked this time by a huge increase in private construction which grew by 7.1 percent.

To stimulate the growth of the production sector, NEDA proposed some measures which include:

- Ensure the normalization of power supply;
- Vigorously implement the key commercial crop development program to increase the production of high-value crops; and
- Undertake intensive promotional campaign to attract more tourist investors into the country.

Editorial on Renewed Relationship with Malaysia

*BK0902052694 Manila PHILIPPINE DAILY
INQUIRER in English 4 Feb 94 p 4*

[Excerpts] The visit of the Malaysian Prime Minister Mahathir Bin Mohamed ends more than three decades of chilly relationship between Malaysia and the Philippines. It marks the beginning of the normalization of the relationship that had been hampered by their territorial dispute over Sabah, now in fact one of the federal states of Malaysia.

The visit is a breakthrough in the sense that the dropping of the Philippine claim to Sabah was not a precondition to Doctor Mahathir's visit. High on the agenda are issues associated with the expansion of bilateral economic relationship within the context of transforming Asean into an economic bloc that can counter the protectionist tendencies of competing regional groups such as the North American Free Trade Association and the European Community.

In shelving the Sabah issue, both the Philippines and Malaysia recognize that the territorial dispute does not stand in the way of expanding economic relationship, which is now a priority over political questions. [passage omitted]

In this decade where economic development commands the priority of the Asia-Pacific nations, the expansion of

bilateral relationship between Manila and Kuala Lumpur has become more important than fanning the embers of a territorial dispute. [passage omitted]

Thailand

Finance Minister on U.S. End to SRV Embargo

BK0902091894 Bangkok SIAM POST in Thai 9 Feb 94 p 18

[Text] According to Finance Minister Tharin Nimmanhemin, the economic impact on Thailand of the lifting of the U.S. trade embargo against Vietnam will be assessed and followed closely by the Finance Ministry and the Bank of Thailand.

He said the lifting of the U.S. trade embargo will result in the Vietnamese economy being more active. This will result in increased trade and investment activities which will benefit Thailand. The finance minister believes foreign investment in Vietnam will increase and that Vietnam will benefit from the investment and improve its economic position. However, this will not result in Vietnam drawing the capital market away from Thailand. This is because Vietnam and Thailand have different development and technological bases. Foreign investors in Vietnam will be attracted by the cheap labor, while in Thailand investors emphasize value added products. As a result, there is no fear of market competition.

Tharin said: "In fact, increased investment in Vietnam will benefit Thai businessmen because it will result in investment opportunities, such as in the construction sector."

Interior Allows Temporary Cambodia Log Imports

BK0902132694 Bangkok PHUCHATKAN in Thai 9 Feb 94 pp 1, 2

[Excerpts] Amon Antachai, governor of Chanthaburi Province, disclosed that the Interior Ministry on 4 February issued an order instructing provincial administrations along the border with Cambodia to open for 24 hours per day temporary crossing points for Thai logging companies to transport timber left stranded in Cambodia. The opening of the crossing points will last until

31 March. The Cambodian Government earlier announced a relaxation of the timber export ban for Thai loggers to transport their timber to Thailand before the 31 March deadline. [passage omitted]

Some 100,000 to 200,000 cubic meters of timber worth several hundred million baht of Thai logging companies will be sent across the border to Thailand. [passage omitted]

Government Backs Nong Khai for Lao Consulate

BK0902015394 Bangkok THE NATION in English 9 Feb 94 p A2

[Excerpts] Nong Khai province is preferred by Thailand as the site of Vientiane's first consulate to help visits by Laotians after the Thai-Lao Friendship bridge is inaugurated, Foreign Minister Prasong Sunsiri said yesterday. Prasong was speaking after discussions with his Laotian counterpart Somsavat Lengsavat, who is making an official visit at the invitation of the Foreign Ministry. [passage omitted]

Prasong said he told Somsavat that Thailand preferred the first Laotian consulate to be in Nong Khai.

An informed source said Prasong's proposal was appropriate as the bridge would become the pre-eminent entry point for both countries.

The source said Vientiane had initially considered either Nong Khai or Khon Kaen for the consulate.

Somsavat will pass on the Thai proposal to his government for approval. He told guests at yesterday's ceremony that his visit will help to strengthen bilateral relations and that Laotians are excited about the opening of the bridge and HM the King visiting the country. Somsavat, accompanied by Prasong, yesterday evening was granted an audience with the King at Chitlada Palace. According to the source, Somsavat was to have informed the King of his schedule for inaugurating the bridge. [passage omitted]

Australia

PNG Prime Minister Arrives for Keating Talks

*BK0902072594 Melbourne Radio Australia in English
0500 GMT 9 Feb 94*

[Excerpts] The first visit to Australia by Papua New Guinea's prime minister, Paias Wingti, has been marked with a protest by a small number of protestors from the Free Bougainville Movement. Alexandra Kirk reports Mr. Wingti's talks with Prime Minister Paul Keating are expected to cover Bougainville and human rights, development assistance, and common interests in the Asia-Pacific.

[Begin Kirk recording] The pomp and circumstance at the welcoming ceremony outside Parliament House in Canberra was accompanied by a continuous protest opposing Australian military aid being used in Bougainville. [passage omitted] [end recording]

Mr. Wingti is holding private talks with Mr. Keating this afternoon.

Vanuatu

General Strike Disrupts Government, Services

*BK0802061394 Melbourne Radio Australia in English
0500 GMT 8 Feb 94*

[Text] A 24-hour general strike in Vanuatu is reported to have severely disrupted government, airline, and other services in the country. There have also been reports of several people being taken to hospital as a result of violence relating to the strike. The strike has been organized by the Vanuatu Council of Trade Unions in

support of public servants who have been on strike for 10 weeks in a pay dispute with the government.

The news agency, PACNEWS, says all government offices in the central capital, Port Vila, (Lugen Ville), and other government centers have closed. Hospital outpatient departments were closed except for emergencies and nearly all schools and fuel stations in Port Vila and other centers were closed. International flights in and out of Port Vila were disrupted with one flight being canceled. The domestic airline, Van Air, was also affected.

The vice president of the Trade Unions Council, Barton Basiwe, said some government sympathizers had harassed strikers, including incidents involving sticks and stands on trucks.

Unions Extend General Strike

*BK0902065394 Melbourne Radio Australia in English
0500 GMT 9 Feb 94*

[Text] In Vanuatu, a 24-hour general strike has been extended indefinitely. Yesterday, Vanuatu Council of Trade Unions held a 24-hour stoppage in support of a 10-week old strike by public servants over a pay claim.

The council's secretary, Ephraim Kalsakav, says the general strike was successful with most schools closing and government services disrupted. The airport was closed for several hours, delaying domestic and international travel. Scruffles broke out on picket lines with several people taken to hospital for minor injuries.

Mr. Kalsakav said the strike would continue indefinitely until the government reopens negotiations with public servants.

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